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THE UNIVERSITY OF JORDAN SERIALS DIVISION

U.S. Rebuffs Soviets On 5-Year Delay for Germany in NATO

The Associated Press

BERLIN — The Soviet Union said Friday that a united Germany can join NATO after a five-year transition period during which all Soviet and U.S. troops would leave the country.

The United States rejected the proposal, a U.S. official said. The Western position is that a united Germany should be free to establish full membership in the North Atlantic Treaty Organization as soon as its government desires.

The Soviet proposal, which represents movement away from Moscow's original refusal to accept a united Germany in NATO, was outlined by the Soviet foreign minister, Eduard A. Shevardnadze, during talks in East Berlin on the international security aspects of German reunification.

Mr. Shevardnadze offered the initiative as he met with the U.S. secretary of state, James A. Baker 3d, and the foreign ministers of Britain, France and the two German states in what are known as the Two-plus-Four Talks.

[The six foreign ministers said they were confident they could reach agreement in time for the meeting in November of the 35-nation Conference on Security and Cooperation in Europe, Reuters reported.]

Mr. Shevardnadze's remarks on the transition proposal indicated that a united Germany could join NATO at the end of a five-year period. A copy of the proposal was obtained by The Associated Press.

As part of the arrangement, Western and Soviet troops would withdraw from the country and Germany's own military strength would be sharply reduced, according to the proposal.

"I am underwhelmed," Mr. Baker said when reporters asked him about the Soviet initiative.

A senior U.S. official, speaking on condition of anonymity, said the Americans objected to the five-year time limit. The official said the other Western ministers had expressed the same reservations.

The United States wants a united Germany to be a full member of NATO immediately, an idea the Soviet Union has opposed.

West Germany now is a mainstay of the Western alliance. East Germany is formally a member of the Warsaw Pact, though East Germany's new government has indicated interest in severing ties with the Soviet-led alliance.

Mr. Shevardnadze said the Soviet plan seeks to limit the strength of the German armed forces and "to revamp their structure to make sure that they are rendered incapable of offensive operations." The allies have said Germany should not be singled out for troop ceilings in Central Europe, but that limits might be permissible as part of a regional arrangement.

The Soviet said that German reductions could be undertaken over a three-year period. Germany also would be prevented from ever producing or deploying chemical or nuclear weapons.

The Soviet proposal also said that within six months of unification, all Western troops should leave West Berlin, which remains technically under military occupation by the United States, France and Britain as a result of arrangements made at the end of World War II.

The three Western occupying powers and the Soviet Union

See GERMANY, Page 5

Death Toll at 29,000 in Iran Quake, Landslides Hamper Rescue Efforts

Compiled by Our Staff From Dispatches

NICOSIA — The death toll in the earthquake that struck northern Iran has reached 29,000, making it one of the most destructive quakes in this century, the Iranian news agency reported Friday.

Relief officials listed 28,950 dead and 28,198 injured, the Islamic Republic News Agency said. But Iran's United Nations mission in New York put the death toll at 36,000.

Official estimates of those left homeless ranged from 100,000 to 400,000.

The numbers are expected to rise as rescuers reach more remote areas.

Aftershocks continued Friday to hit northern Iran near the Caspian Sea where the quake struck early Thursday. The shocks caused new landslides that trapped trucks carrying relief supplies.

Rescue helicopters and planes got through to some areas cut off by the quake, but were not able to reach all affected areas. The planes carried in tons of supplies and brought out thousands of survivors.

Iran imposed conditions on the aid it would accept, as airlifts started. Page 5.

Hospitals in Tehran were filled with people flown from the stricken areas. Rescue workers set up field hospitals, and mass graves were being dug, the reports said. Gymnasiums and other sports facilities were put at the disposal of medical and relief teams.

Workers with police dogs rescued thousands of people buried under the rubble of their homes, the official news media reported.

Tehran airport was thronged with people trying to reach the quake zone to learn the fate of relatives. Officials turned them back, saying the planes were needed for relief workers.

International aid began reaching Tehran, although the Iranians refused some forms of assistance. Aid officials said that the Iranians' experience with previous earthquakes and with casualties of the Gulf War meant that they were relatively well prepared to deal with natural disasters.

But Thursday's quake, according to official tolls, is the worst to hit the area since a 1755 earthquake left an estimated 40,000 people dead.

The quake measured at least 7.3 on the open-ended Richter scale, although it was measured by scientists in California at 7.7.

A quake registering 7.7 struck in Iran in September 1978, killing 25,000 people. A 1988 quake in Soviet Armenia, which killed at least 23,000, measured 6.9.

Most of the deaths Thursday were in two northern agricultural provinces, Gilan and Zanjan, which have a combined population of 2.7 million, the news agency said. It reported that more than 25,000 people were killed in coastal Gilan alone.

In Zanjan, the death toll was put at 2,300, but state television said thousands were believed still buried under debris.

Telephone lines, electricity and water supplies were cut in the provinces.

Iranian authorities did not immediately allow foreign reporters to cover the disaster. Foreign doctors also were not allowed to enter the area. Aid officials from other countries were granted 24-hour visas to deliver supplies.

Rescuers began using dogs Friday to search for survivors and victims trapped beneath debris. A total of 3,000 trained rescue workers were working in the disaster area.

An air force commander, identified only as General Naderian, told the news agency that 6,000 victims, many injured, were dug out and airlifted from Gilan and Zanjan to hospitals elsewhere.

He said rain and poor visibility grounded some relief aircraft Thursday, but they began getting through on Friday. The news agency said 10 transport planes and 30 helicopters evacuated victims after the weather improved.

Television footage from the mountainous region showed hillsides strewn with the rubble of devastated villages. Some of the debris appeared to have rolled hundreds of feet down the slopes.

A few dazed children were seen wandering among huge boulders but no adults were in sight. Some houses appeared to have sunk deep into the ground.

President Hashemi Rafsanjani visited the city of Roudbar and told Iranian television that the death toll was bound to rise as some ruins had not yet been searched. He said heavy machinery was needed, especially cranes.

More than 3,000 tons of relief supplies have been flown to the region in 50 trips by air force transport planes, an official said.

Officials pleaded for blood, blankets and medicine, and other countries promised to send supplies. An Iranian health official said Friday there was no need for "foreign blood" because of donations from Iranians.

But he said hospitals needed surgical thread and equipment, medicines, tents, sheets and blankets.

Government television showed young men feverishly digging in debris from flattened concrete buildings in Rasht, 280 kilometers (175 miles) northwest of Tehran, with a population of 189,000. Bulldozers and cranes lifted away large pieces of debris, and earthmovers tried to clear roads for rescue vehicles.

Televised reports monitored in Cyprus showed rescuers in white aprons pulling dust-covered bodies from beneath concrete slabs. Corpses were laid on blocks of ice in open trucks to keep them from decomposing.

Frightened survivors have been camping outdoors, afraid to enter buildings.

The reports showed villages in which 90 percent of the buildings were destroyed. In one, a row of houses collapsed and slipped down a hillside.

Many homes in the region are built on flood plains of loosely deposited soil that shifts violently in an earthquake. The primary construction materials are bricks and unreinforced concrete, which crumble easily.

The leader of Friday prayers at Tehran University, Ayatollah Abdulkarim Musavi Ardebili, blamed the high casualties and damage on faulty construction and neglect during the shah's regime, which was toppled in 1979.

In Tehran, which felt the quake but suffered little damage, crowds gathered in collection centers donating blankets, food, kerosene heaters and fistfuls of cash.

Offers of help poured in from around the world. Iran accepted an offer of help from the United States, despite their poor relations.

The Soviet Union also sent aid. A special Aeroflot plane carrying doctors, rescue workers and relief aid left Moscow on Friday, Tass said.

Even Iraq, one of Iran's most bitter enemies, offered condolences and aid, as did Syria and Saudi Arabia.

Other offers of aid came from the governments of Britain, Sweden, Finland, France and Japan, as well as the Japanese Red Cross Society.

Paer Stenbaeck, secretary-general of the League of Red Cross and Red Crescent Societies in Geneva, said the Iranian Red Crescent was better equipped than most, if not all, other Third World countries, having its own tent factories, food processing plants and warehouses.

"They have a remarkably effective relief operation," he said. *(AP, UPI, AFP)*

The Associated Press

Relief workers unearthing a survivor from ruins in Manjil, in Gilan Province. The man had been buried for 32 hours.

Kiosk

Program Sales Spark Dow Fall

NEW YORK — A barrage of program selling in the final hour of trading sent blue-chip issues plunging on Friday to their steepest decline since Monday's 54-point tumble. The ferocity of the selloff surprised many traders.

The Dow Jones average of 30 industrials fell 44.55 points, or 1.54 percent, to 2,857.18.

Dow Close	
2,857.18	
Down 44.55	

The Dollar In New York

DM	1.8745
Pound	1.733
Yen	154.85
FF	5.624

General News

Romanians freed from jail after last week's crackdown told of beatings. Page 2.

An AIDS expert says he is no longer convinced that HIV is the disease's sole cause. Page 3.

Art

A Paris exhibition reveals that much remains to be discovered about the emergence of modern art. Page 7.

Business/Finance

Philip Morris Cos. agreed to pay 5.4 billion Swiss francs for Jacobs Suchard AG. Page 9.

Coniston said it is disbanding its acquisition fund. Page 9.

Crossword Page 13.

WORLD CUP GRANDSTAND

Act II, Featuring More Walk-Ons

In the first round of the finals, the stage-setting, the script didn't last a minute. And the surprises are likely to continue, writes Rob Hughes — who goes out on a limb in predicting the winners in this new, high-stakes game.

The Good, the Bad and the Less Ugly

Italians have finally figured out how to solve their traffic problems, as well as getting a seat in a restaurant, but not the wine fiasco — all they had to do was get their country to be host for the World Cup finals.

The Pleased and the Proud

Cameroon and Colombia are just pleased, Czechoslovakia and Costa Rica are rightly proud, Brazil and Argentina are apprehensive, West Germany is vengeful and the Netherlands is feeling much better.

Saturday's matches: Cameroon vs. Colombia, 1900 GMT; Czechoslovakia vs. Costa Rica, 1900 GMT

Sunday's matches: Brazil vs. Argentina, 1300 GMT; West Germany vs. Netherlands, 1900 GMT

World Cup report: Pages 14 and 15

EC Commission Set to Block Link Of Sabena, KLM and British Air

Reuters

BRUSSELS — The EC Commission plans to block a linkup between British Airways, Belgium's Sabena and KLM Royal Dutch Airlines on grounds that it restricts competition, commission sources said Friday.

The sources said the commission, the European Community's executive body, would agree next Wednesday to send a statement of objections to the three airlines expressing serious doubts about their joint venture's compatibility with EC rules on competition.

BA and KLM each have acquired 20 percent stakes in a new Sabena subsidiary, Sabena World Airlines. The move means the carriers would have to negotiate with Brussels to find an acceptable formula.

A KLM spokesman said: "I don't believe in the argument of our link restricting competition."

An EC Commission spokesman said 10 days ago that it was likely a statement of objections would be issued by the end of the month against the venture, which was first proposed in December.

The sources said the EC competition commissioner, Sir Leon Brittan, and the transport commissioner, Karel Van Miert, considered that the cooperation envisaged among the three carriers appeared to violate Article 85 of the EC's founding treaty, which forbids accords between companies that restrict competition.

But the sources said Mr. Van Miert, a Belgian Socialist, was fighting Sir Leon's attempts to attack Sabena on a second front, its virtual monopoly over slots at Brussels airport.

Sir Leon already has succeeded in persuading the commission to block state-owned Air France's takeover of French domestic rival UTA.

Underlying the debate within the commission are differing views on how much cooperation should be allowed between EC airlines as

See AIR, Page 11

Reuter Klostermeier/The Associated Press

Saying farewell: Mr. Baker, Roland Dumas of France, Mr. Genscher and Mr. Shevardnadze.

Mandela Tells UN That Racists Plan to Kill Him

ANC Not Committed To Nationalizations

By Paul Lewis
New York Times Service

NEW YORK — Nelson Mandela warned the United Nations on Friday that white South African terrorist groups were plotting to kill him and the rest of the African National Congress leadership in an effort to prevent the dismantling of the country's apartheid system of racial segregation.

Mr. Mandela, the ANC deputy president, said some white South Africans were "working at a feverish pace to establish paramilitary groups whose stated aim is the physical liquidation of the ANC, its leadership and membership as well as other persons or formations which these right-wing terrorist groups see as a threat to the continued existence of the system of white minority domination."

Other armed and militant opponents of the ANC are in the police and army, he said.

He was studiously vague about the kind of constitutional and economic system he envisages under universal suffrage in a future South Africa.

But he appeared eager to distance himself from his party's official committment to na-

See MANDELA, Page 5

Plot to Kill Leaders Is Reported

By Christopher S. Wren
New York Times Service

JOHANNESBURG — The police arrested and subsequently released 11 whites whom an Afrikaans-language newspaper said were linked to a rightist plot to murder Nelson Mandela, President Frederik W. de Klerk and other politically prominent South Africans.

The weekly newspaper, Vrye Weekblad, reported Friday that the plotters envisioned shooting Mr. Mandela, the leader of the African National Congress, when he returned July 18 from his current tour of North America, Africa and Europe.

The report said that a leader of the South African Communist Party, Joe Slovo, was also a target of the assassination plot.

In addition to Mr. de Klerk, the newspaper said targets in the government included Defense Minister Magnus Malan, Law and Order Minister Adriaan Vlok and some members of Parliament.

The report said the information was provided by an informer, Jan Johannes Smith, who had infiltrated a group of rightist militants. Mr. Smith is a former security policeman and National Intelligence Service agent.

The newspaper said it based the report largely on a sworn affidavit by Mr. Smith, which it made public on Friday.

The editor of Vrye Weekblad, Max du Preez, said Friday that Mr. Smith had left the Johannesburg area and that he was somewhere in hiding under police guard.

The arrests on Thursday led to reports that the 11 whites might be part of a larger conspiracy by rightist extremists to frustrate Mr. de Klerk's plans to dismantle the apartheid system of racial segregation and share power with the black majority.

On Friday, the police refused to confirm the existence of the plot, but it said that the 11 men had been arrested. The police said six of the whites were released Thursday and the remaining five on Friday.

The Conservative Party of South Africa, which is the official opposition in Parliament, wants apartheid preserved or the country partitioned into separate homelands for whites and blacks.

In the affidavit, which was cited by Vrye

See PLOT, Page 5

PLO Chief Is Called 'Comrade in Arms'

By Howard Kurtz
Washington Post Service

NEW YORK — Nelson Mandela, in a combative television interview, described Yasser Arafat as "a comrade in arms" and said it would be a mistake to change his view of the Palestine Liberation Organization leader "on the basis of the interests of the Jewish community."

During an ABC-TV "town meeting" taped before 1,000 people in Harlem, the South African black leader also repeated his support for Colonel Moammar Gadhafi, the Libyan leader, and President Fidel Castro of Cuba.

Mr. Mandela said that they and Mr. Arafat supported his cause "to the hilt" and that he had no problem with their approach to human rights.

The African National Congress leader also was critical of President Frederik W. de Klerk, insisting that the government has "deliberately" failed to suppress factional violence in black provinces and did not deserve even a gesture of support from the United States. "Mr. de Klerk has done nothing," Mr.

See COMRADE, Page 5

Checkpoint Charlie: Now a Relic

By David Hoffman
Washington Post Service

BERLIN — One of the most famous Cold War gateways between East and West was dismantled Friday and carted off to be placed in a museum, a relic of a rapidly vanishing age of confrontation.

"Checkpoint Charlie" stood for 29 years on Friedrichstrasse, a narrow street near the Berlin Wall, a symbol of Western determination to maintain freedom of movement between East and West Berlin. "You are leaving the American sector," a sign warned all those who ventured through it and into the East.

On a cool grey morning, a huge crane lifted the guardhouse from the street as the foreign ministers of the two Germanys and the four victorious World War II powers — the United States, France, Britain and the Soviet Union — applauded and delivered tributes to what they described as the dawn of a new era of cooperation.

Germans cheered from their windows high above the checkpoint, military commanders took turns photographing each other in front of the guardhouse, a thousand newsmen from around the world craned their necks to watch and an American band struck up "Berliner Luft," an unofficial Berlin anthem.

The festive air was punctuated by speeches that would have startled anyone just a year ago. The Soviet foreign minister, Eduard A. Shevardnadze, praised the joining of two once-hostile worlds.

"One more of the emotionally charged and at times dramatic pages in Berlin's postwar history has been turned," he said, describing the dismantling of Checkpoint Charlie as "concrete proof" of the "gradual removal of the confrontational legacy."

The U.S. secretary of state, James A. Baker 3d, said the lowering of Cold War tensions had been achieved "with the help of a new generation of Soviet leaders."

"We are not forgetting," said the West German foreign minister, Hans-Dietrich Genscher, "that it is 49 years today that Hitler attacked the Soviet Union in an inhumane war that brought immeasurable suffering upon the peoples of the Soviet Union."

Checkpoint Charlie was one of the first locations to witness the breaching of the Berlin Wall last year. The checkpoint was erected in 1961 in response to East Germany's effort to seal off the Western sectors of Berlin under the control of Britain, France and the United States.

Some Must Reading On High-Tech Sales

Disclosed List of Forbidden Products Gives Companies Less to Guess About

By Stuart Auerbach
Washington Post Service

WASHINGTON — It was a Catch-22 of the Cold War.

For more than four decades, the United States and its allies kept a secret list of computers, machine tools, telecommunications equipment and other high-technology products that could not be sold to the Soviet Union or its satellites.

But high-technology companies in the West never knew what products were on the list, which was compiled by the 17-nation group based in Paris that polices technology sales, the Coordinating Committee for Multilateral Export Controls, or COCOM.

With the Cold War winding down, the East European nations turning capitalist and COCOM making more advanced technologies available to Moscow, all that has changed. The State Department last month bowed to a Freedom of Information Act request and made the COCOM list public. It acted 11 years after Congress said the list should be readily available.

"It's the end of a long struggle to get a basic working document that should have been available years ago," said Roger Majak, a former congressional specialist in export controls who is now an industry consultant.

William T. Archey, international vice president of the U.S. Chamber of Commerce, said that the publication of the list would demonstrate how much stricter the United States was in prohibiting sales to the East bloc than its allies — something companies always suspected but never could document. Further, the publication can be used by technology companies to lobby their governments, who have pledged to pare the COCOM list to the most sensitive technologies by December.

"That in itself is worthwhile," said Mr. Archey, who was in charge of export controls for the Commerce Department during the Reagan administration.

William Root, a former State Department export control specialist who resigned in 1983 over U.S. policies, filed the Freedom of Information action in February on behalf of the Industry Coalition on Technology Transfer. Now a private consultant, Mr. Root said the 250-page list will be published by OCR International Services of Rockville, Maryland, (*Maryland??? - asking farris*) so that companies can know what they can sell and what they cannot.

Previously, to find if a sale could proceed, companies had to go through an expensive and time-consuming review by licensing authorities in their home countries and by COCOM.

Mr. Root said the new information contained "elements that have been published," including a list of products, including model numbers, that have won exemptions from export control requirements.

"It is fascinating information for anyone who wants to know what the competition is," Mr. Root said.

The rules were relaxed 10 years ago to allow members to publish lists of products that were restricted, but these lists could not be identified as coming from COCOM. In 1985, the British government published a list that it said reflected the COCOM agreements.

Mr. Majak said that it was never considered accurate but that "practically everyone in the business carries this British list because it is the only one available."

The list cleared through the State Department was released shortly before the United States and its allies agreed this month to a sweeping liberalization of the COCOM rules that recognized the changing strategic situation in Eastern Europe and the Soviet Union.

Former East bloc satellites that have turned away from communism, such as Czechoslovakia, Hungary and Poland, now can buy the advanced equipment needed to modernize their economies. COCOM also liberalized restrictions on sales to the Soviet Union, but not as much as it did for East Europe.

Despite the changes, specialists said the list is a valuable document. Maintaining the secrecy of the COCOM list dates from the founding in 1949 of the organization, which consists of the United States, its NATO allies except Iceland, and Japan and Australia.

The idea of an organization dedicated to preventing the Soviet Union from gaining access to technology was so sensitive in some nations — especially France and Italy, which had active Communist parties in the late 1940s — that the existence of COCOM was kept secret.

"To this day," Mr. Root said, "every piece of paper that comes out of COCOM has a secret mark on it."

Moscow Takes Warheads From Volatile Areas

The Associated Press

WASHINGTON — The Soviet Union has begun removing nuclear warheads from some of its more volatile republics out of concern that the weapons may fall into the hands of nationalists, according to an administration official.

"It's the prudent thing to do," the official said Friday, referring to development in the Baltic republics and in other areas in the southeastern part of the Soviet Union.

An expert on the Soviet military and a professor at the Massachusetts Institute of Technology, Stephen Meyer, said the Soviets may be concerned that the warheads could be handed over to Iran or another Third World country.

The Wall Street Journal reported Friday that the Soviet Union had told U.S. officials and experts that it had consolidated control more than 33,000 nuclear warheads.

The report cited Soviet concern in the possibility of a breakdown of central authority followed by civil war. Another concern is the possible theft of the nuclear weapons if a Soviet storage site is overrun.

Adnan Popescu/Reuters

President Ion Iliescu, right, and a deputy prime minister, Gelu Voican-Voiculescu, carrying candles at a church service in Bucharest to mark the first half year of the Romanian revolution.

Tales From Romania's Jails

Freed Detainees Recount Beatings After Crackdown

By Chuck Sudetic
New York Times Service

MAGHERU, Romania — When the bus pulled up to a dusty rural crossroads here, a dozen women who had maintained a weeklong vigil on the roadside cried as their sons and husbands stepped gingerly to freedom.

Taken into custody by policemen and by vigilante miners called to the capital last week, ostensibly to head off a coup, the men had not been charged with any crime. They told of beatings and interrogation and of sleeping on concrete floors and lice-ridden mattresses in a garage inside an Interior Ministry military base close to here.

"We were beaten on the legs by the police with bats and rubber truncheons," one detainee said. "One police officer told me that I was taken in only because I was a gypsy."

In addition to attacks on political foes, students, and bystanders, the miners assaulted gypsies, who until last week had crowded Bucharest street corners and subway stations, begging, selling cigarettes and knicknacks, and running shell games and other penny-ante games of chance.

"I was at a streetcar station on my way home from school," said a teenage gypsy boy, whose scalp showed evidence of a wound that he said resulted from a truncheon blow.

In the grass beside the road, a woman clothed in black sat sobbing because her son was not on the bus. The detainees, released Thursday, said the 20 to 30 people remaining inside the compound had been arrested.

About eight kilometers (five miles) away, at the Bucharest law school, Claudia Munteanu was experiencing the same state of uncertainty and fear. Her husband, Marian, 28, president of the university's Student League, was beaten severely when the miners broke into the university building and attacked students.

Mr. Munteanu was taken to a local hospital with head and other injuries. The police arrested him in his hospital bed on Monday on charges of instigating criminal activities.

"I think he would have been arrested anyway because he was one of the few who stood up against the Communist regime even before December," Mrs. Munteanu said, referring to the revolution last December that toppled Romania's Communist dictatorship. "The cleaning women in the hospital even spat on him."

Mrs. Munteanu, who vehemently denies that her husband incited illegal activity, has not seen him since his arrest. He is reportedly being held in an Interior Ministry medical installation.

Mr. Munteanu was detained, questioned, and released on June 13, the day before he was beaten. Except for a trip to the Bucharest television station, where he made a televised appeal for calm, he spent the night of June 13-14 locked inside the university building for protection, Mrs. Munteanu said.

The government has not detailed the charges against Mr. Munteanu, and a government spokesman had no comment on Thursday. An official statement on Tuesday listed a total of 42 arrests on June 15 and 16.

President Ion Iliescu, in his inauguration speech on Wednesday, dissociated the government from the miners' violent actions and said that a full investigation was under way.

Student leaders who met with Interior Minister Dorel Ursu said Thursday that the government would not release Mr. Munteanu because the crimes he was charged with carry a potential sentence greater than two years.

Two of Mr. Munteanu's fellow students, who were beaten and detained by the miners and transferred to the Interior Ministry camp in Magheru, said as many as 750 detainees were housed in a garage, given only two slices of bread in the first two days of their incarceration and allowed to wash only after four days.

Hard-Liner Leads Vote In Russia for Party Chief

By Francis X. Clines
New York Times Service

MOSCOW — The nation's newest and largest wing of the Communist Party brandished a decidedly hard-line stamp Friday as it leaned in its leadership vote toward a doctrinaire Leninist critical of President Mikhail S. Gorbachev's policies.

The front-runner, Ivan Polozkov, 55, a Marxist economist best known as the scourge of the nation's new cooperative entrepreneurs, was in a runoff against Oleg Lobov, 53, a party loyalist and construction engineer who built his reputation in the Armenian earthquake recovery effort.

Insurgent party members, speculating on the prospect of Mr. Polozkov speaking for the major wing of the party, said that his election would undoubtedly speed the exodus of members disheartened at the lack of democratic change, and make the party even more of a bastion of hard-line traditionalists.

The leadership choice was being made by 2,700 delegates of the new Russian Republic's Communist Party, a late-blooming entry in the deeply troubled world of career Soviet communism. Results of the runoff election are expected to be known Saturday.

The Russian Communists, who will constitute a majority of the delegates at an important national party congress next month, have spent much of their organization meeting this week venting dissatisfaction with the party disruptions caused by Mr. Gorbachev's program of new policies.

Mr. Polozkov stirred applause and encouragement from many at the Russian gathering this week with a long speech unapologetically extolling Leninism and centralized government in the face of opinion polls showing a public ever more disenchanted with communism after seven decades of tribulations.

"The crisis is not in the party but in its leadership," Mr. Polozkov declared, implicitly criticizing Mr. Gorbachev and arguing against the party's proclaiming "guilt for everything." He spoke favorably of the widely discredited collective farm system, warned against the "fetish" of the market economy and argued for fresh pursuit of the "humane essence" of communism.

Last month, Mr. Polozkov lost out in the parliamentary vote for the presidency of the Russian republic. He was defeated by Boris N. Yeltsin, the party dissident and insurgent leader of what appears to be a growing populist movement rooted in deepening distrust of the party.

■ New Ukrainian Leader

The leader of the Ukrainian Communist Party, Vladimir Ivashko, resigned at a tumultuous party congress Friday, saying he wanted to concentrate on his position as chairman of the republic's parliament, United Press International reported from Kiev.

After a fourth day of debates on how to increase the dwindling prestige of the party and and solve growing economic problems, delegates to the party congress elected the outgoing leader's deputy, Stanislaw Gurenko, to fill the post.

WORLD BRIEFS

Canadian Constitution Amendment Appears to Be Stalled by 2 Provinces

OTTAWA (UPI) — A constitutional amendment designed to prevent Quebec's secession from Canada appeared to be fatally stalled Friday, as two provinces whose approval was required failed to act on the measure a day before the deadline.

In Manitoba, a filibuster by a Cree Indian legislator ruled out a vote before the deadline at midnight Saturday. In Newfoundland, debate on the amendment had not resumed Friday in the legislature because lawmakers were dealing with an emergency situation that arose over hospitals in the provincial capital, St. John's. Unanimous ratification by all 10 Canadian provinces is required before the deadline.

Quebec has threatened to separate from Canada if the amendment, which recognizes the French-speaking province as a distinct society and gives it powers to promote and protect its language and culture, is not approved.

The amendment, called the Meech Lake Accord, was negotiated by Prime Minister Brian Mulroney and leaders of the 10 provinces three years ago because Quebec refused to sign the 1982 constitution on the ground that it did not recognize the province's French-speaking population. Quebec promised to add its signature to the constitution if the Meech Lake Accord were approved.

Tamils Kill 62 Muslims in Sri Lanka

COLOMBO (AP) — Tamil separatist guerrillas on Friday hacked to death 62 Muslim men, women and children in eastern Sri Lanka after accusing them of being government informants, the Defense Ministry and an opposition Muslim leader said.

The Defense Ministry said the bodies of the Muslims were found in the eastern village of Nintavur. A leader of the opposition Sri Lanka Muslim Congress, Mahroof Gani, said the guerrillas of the Liberation Tigers of Tamil Eelam killed the Muslims because they feared their jungle hideaway would be revealed.

The killings came on the 11th day of a renewed war between the Tamil guerrillas and the army for control of the northeastern part of the island. In the north, guerrilla forces overran an army base and pounded four other strategic installations. The army said that at least 139 people had died in the latest fighting, which has left more than 1,400 dead since June 11.

Rabin Ordered Beating, Colonel Says

TEL AVIV (Reuters) — An Israeli colonel said in court Friday that his commanders had "thrown him to the dogs" over charges that he ordered his men to break the bones of rioting Palestinians. Israeli radio reported that Colonel Yehuda Meir admitted giving orders to beat Palestinians on the limbs, but said he was carrying out orders from Yitzhak Rabin, who was defense minister at the time.

Mr. Rabin, who is engaged in a bitter battle with Shimon Peres over the leadership of the Labor Party, said in a radio interview Friday that he ordered that units fighting violent riots "should go in and beat the demonstrators to control them as long as the riots continue. I didn't use the phrase 'break bones.'"

Colonel Meir testified Thursday that Mr. Rabin had instructed senior officers: "You do the work, I'll deal with the press and the law." Mr. Rabin confirmed his statement on Friday. "It's true that I said whoever carries out these orders won't be prosecuted," he said.

Chad Killed Prisoners, Activists Say

LONDON (AFP) — Chadian soldiers have executed dozens of military and civilian prisoners since March near the Sudan border while "hundreds" of other people have been driven from their homes, the human rights organization Amnesty International reported. It said the killings had taken place in an area where government troops have been fighting rebels of the Chadian Patriotic Salvation Front since October.

On March 25, Amnesty International said, the rebels occupied Bahai and Tine, capturing several hundred soldiers. Two days later, the monitoring group said, the towns were recaptured by government troops who executed "many" of the captured soldiers for having surrendered.

On March 29, Chadian troops went to the Sudanese town of Kouttoum where they murdered seven rebels receiving treatment in the local hospital, Amnesty International said in a report issued Thursday. Early in April, 24 civilians were arrested and shot and killed by government troops who had retaken the town of Iriba, the report said.

Ex-Party Chief in Prague to Be Tried

PRAGUE (AP) — A former Communist Party leader of Prague, Miroslav Stepan, is to go on trial Monday on a charge of abuse of power by a public official, the CTK news agency reported Friday. He will be the first party official to be tried since last year's peaceful revolution.

Mr. Stepan, 44, faces up to 10 years in prison. He was charged with abuse of power after he reportedly instructed the police chief, Bohumil Carda, to use water cannon and tear gas against demonstrators in Wenceslas Square on Oct. 28, 1988. The police broke up the rally by 5,000 Czechoslovaks marking the 70th anniversary of the nation's independence.

He is also charged with ordering the transport of 195 demonstrators about 50 kilometers (30 miles) outside Prague on Jan. 15 last year and abandoning them there for failing to obey police instructions to disperse, the agency said. They had been rallying to commemorate the self-immolation in 1969 of Jan Palach, a student, to protest the presence of Soviet troops in Czechoslovakia after they invaded to crush the 1968 Prague Spring.

For the Record

More than a million residents of Tel Aviv and its suburbs were urged Friday to boil drinking water after a high concentration of fecal bacteria was found in water supplies. *(AP)*

The judge in the trial of Imelda R. Marcos has denied defense motions that the racketeering charges be dismissed. Mrs. Marcos is charged with stealing from the Philippine Treasury more than $200 million and investing it in New York real estate while her husband, Ferdinand, was the country's president. *(NYT)*

TRAVEL UPDATE

Japan Set for 'Summer Time' in '91

TOKYO (AP) — Japan will probably adopt daylight-saving time beginning next year to save energy, officials of the Natural Resources and Energy Agency said Friday.

They noted that of the 24 member nations of the Organization for Economic Cooperation and Development, only Japan and Ireland have not adopted the system, also known as "summer time" here. The Japanese Diet passed a law in 1948 on daylight-saving time, but scrapped the system in 1951.

Gorbachev's Choice: Which Power Base?

By David Remnick
Washington Post Service

MOSCOW — Surrounded by voices of resentment, President Mikhail S. Gorbachev is facing one of the most perplexing dilemmas of his political career: Should he remain head of the Soviet Communist Party or step down?

As the founding conference of the Russian Republic's Communist Party organization this week has made plain, many provincial party leaders see Mr. Gorbachev's *perestroika* changes more as a blueprint for the collapse of their authority than for the revival of a culture and an economy.

The accusation hurled by Yegor K. Ligachev, a Politburo member, that Mr. Gorbachev is guilty of "out-and-out revisionism" is, in the traditional lexicon of the party, a highly charged accusation. In Stalin's time "revisionists" went to jail, or worse.

So deep are the ideological and personal divisions in the party that many Communists believe the conservatives could mount a serious challenge to Mr. Gorbachev for the post of general secretary at the crucial 28th party congress next month.

Mr. Gorbachev and Mr. Ligachev have long since torn away the old veils of party unity and discipline. They make no secret of their split.

Mr. Gorbachev responded sharply Thursday to Mr. Ligachev's angry allegations that the general secretary had failed to include the Politburo in decisions on the economy, Germany and Eastern Europe. Mr. Gorbachev called the charges "a slander."

Delegates at the Russian party conference, which is heavily weighted with conservatives, have been saving their loudest applause for speeches critical of Mr. Gorbachev.

Alexander Melnikov, a party secretary from the Siberian mining city of Kemerovo, has lambasted Mr. Gorbachev in closed Central Committee meetings for "kowtowing" to the "leaders of capitalism and the pope of Rome." This week Mr. Melnikov won wild applause when he criticized Mr. Gorbachev for making a televised speech on the economy "without ever once saying the words 'party' or 'communist.'"

NEWS ANALYSIS

Most of Mr. Gorbachev's executive authority now stems from the presidency, not from the post of general secretary. In fact, his party position does him little good in the eyes of millions of Soviet people for whom the party represents little more than the failure of Bolshevism.

Political life is in flux. Earlier this year, the party's Central Committee surrendered its constitutional monopoly on power, giving rise to the start of a multiparty system. Since then, Social Democrats, Greens, Christian Democrats and many others have held founding congresses.

But Soviets politics have not been wholly transformed. The fact remains that the Communists have the predominance of real power. And that power includes a bottomless war chest, property, newspapers and television.

The prospect of Mr. Gorbachev turning these assets over to someone else's control is not viewed with glee by all the general secretary's critics. Moderate conservatives, such as Boris V. Gidaspov, the Leningrad party leader, say they hope Mr. Gorbachev will retain both his party and government posts well beyond the 28th party congress.

One of the main targets for party conservatives has been Alexander N. Yakovlev, Mr. Gorbachev's closest aide in the Politburo and the Presidential Council. An intellectual who has come to represent Mr. Gorbachev's most radical instincts, Mr. Yakovlev gave a trenchant analysis of the conservative Communist position earlier this month at a closed meeting with students and faculty at Moscow State University. The struggle, he said, was personal and careerist as much as it was a matter of ideology.

"Imagine a person who for 40 years has been serving his ideal and who has grown accustomed to his position, his lifestyle, his living standards, who has grown used to wielding power — history's most corrupting habit. Now that the change has come, they find it difficult to accept it," he said.

Lockerbie Group Assails Sweden for Expulsions

By Barry James
International Herald Tribune

Spokesmen for victims of the 1988 Lockerbie disaster decried on Friday the decision by Sweden to expel five Palestinians said by the police to be linked to others convicted of bomb attacks against American and Jewish targets in Europe.

"They consider themselves a civilized Western society and in reality they are cowards," said Bert Ammerman, president of the Victims of Pan Am Flight 103, who represents families in the United States of relatives among the 270 people killed in the Lockerbie bombing.

Security sources in Stockholm said that two of the five being expelled were linked to an apartment in Neuss, West Germany, where the police found a bomb and barometric detonator in a radio-cassette believed to be identical to the one that exploded on the jet.

There have been no arrests directly relating to the Lockerbie bombing.

Mr. Ammerman said there was certain to be bitterness over the Swedish action by relatives of the Lockerbie victims. Many of the relatives are to start gathering in Scotland next week for the unveiling of a monument to the victims.

He said that the Swedish authorities were "well aware of the connections that these individuals have with Pan Am 103, but would sooner let them go to insure that nothing happens in their country."

The Palestinians were not identified, in line with Swedish law. The security sources said they were being expelled to Syria.

Intelligence sources identified them as Khalida Shaban, Jihad Shaban, Samir Urfali, Hamad Shaban and Nura Shaban, respectively the sister, brother, cousin, father and mother of a Palestinian serving a life sentence in Stockholm for his role in bomb attacks in Copenhagen. The sources said they had been interviewed in Stockholm by Scottish police taking part in the Lockerbie investigation.

Jihad Shaban, suspected of being a Syrian intelligence official, and Samir Urfali, were at the apartment in Neuss until shortly before the bombing, sources said. All five are believed to have been among 11 Palestinians arrested this month.

Dr. Jim Swire, spokesman for bereaved families in Britain, said he was also concerned about Sweden's removal of a senior prosecutor, Uls Forsberg, from its investigation and his replacement by a less experienced man.

RELIGIOUS SERVICES

ASSOC. OF INT'L CHURCHES IN EUROPE & MID. EAST

COPENHAGEN
The INTERNATIONAL BAPTIST CHURCH, meets at Boggesensgade No. 7, each Sunday; 9 a.m. Phone: 31 39 51 40.

DÜSSELDORF
INTERNATIONAL BAPTIST CHURCH. English. s.s. 10:00, worship 11:05. Children's church and nursery. Meets at the International School, Leuchtenberger Kirchweg 2, D-Kaiserswerth. Friendly fellowship. All denominations welcome. Dr. W.J. Delay, Pastor, Tel.: 0211/400 157.

HOLLAND
TRINITY BAPTIST S.S. 9.30, Worship 10.30, nursery, warm fellowship. Meets at Bloemcamplaan 54 in Wassenaar. Tel.: 01751-78024.

MUNICH
INTERNATIONAL BAPTIST CHURCH OF MUNICH, München 83, Schumacherring 24. English Language Services. Sunday School 12.00. Worship Service 1:00. Pastor's phone: 690 8534.

INTERNATIONAL COMMUNITY CHURCH, services in English 4:30 p.m. Sundays at Enhuberstr. 10. (U2 Theresienstr.). Pastor Ronnie Stevens (089) 850-8617. No service on June 3.

PARIS and SUBURBS
THE AMERICAN CATHEDRAL (Episcopal-Anglican). Sun. 9 & 11 a.m. Sunday School for children and nursery care at 11 a.m. 23 ave. George V, Paris 8. Tel.: 47 20 17 92. Metro: George V or Alma-Marceau.

HOPE INTERNATIONAL CHURCH (at La Chapelle Evangélique), CNIT conference center, Paris-La Défense. Evangelical & for everyone. Sunday 9:45 English service & children's SS; Sunday 11:00 French service & children's SS. AWANA Youth Club. Metro: RER (A) La Défense. Parking: Défense 4. Call Pastors Henry Paxsonen, Jim Ritchey: 47 73 53 54 or 47 75 14 27.

UNITARIAN UNIVERSALISTS meet Sunday, June 17th, 11:20 a.m. at 1, rue de l'Oratoire, metro Louvre-Rivoli. Fadel Erian will lead the service early christianity in Egypt. Tel.: (1) 42.78.82.58 or 43.54.47.96.

EMMANUEL BAPTIST CHURCH, 56 Rue des Bons-Raisins, Rueil-Malmaison. English speak., evangelical, all denominations. S.S. 9:45; Worship 10:45. Vesper Service, 6:30 p.m. 123 Ave. du Maine, Metro Gaite. Call 47.51.29.63 or 47.49.15.29 for information.

ZURICH
INTERNATIONAL BAPTIST CHURCH of Wädenswil (Zurich), Switzerland, Rosenbergstrasse 4. Worship Services Sunday mornings 11:00. Tel.: 720-2762.

BERLIN
AMERICAN CHURCH IN BERLIN, cor. of Clay Allee & Potsdamer Str., S.S. 9 a.m., Worship 10:30 a.m. Tel.: 030-8132021.

BRUSSELS
The American Protestant Church, Worship 10:30 a.m. Koffenberg, 19 (at the Int. School). Tel.: 673.05.81. Bus 95. Tram 94.

COPENHAGEN
INT'L CHURCH (Vartov), 27 Farvergade, nr. Townhall. 11:30 a.m. Tel.: 01 624785.

FRANKFURT
TRINITY LUTHERAN CHURCH, Nibelungen Allee 54 (U-Bahn 5), S.S. 9.45, worship 11 a.m. Tel.: (069) 512552.

GENEVA
EV. LUTHERAN CHURCH of Geneva worships this Sunday only at 10:30 at The Chapel of the Ecumenical Center, 150 Rte. de Ferney. Tel.: (022) 20 50 89.

THE HAGUE
AMERICAN PROTESTANT CHURCH Sunday Service 10:00 a.m. Tel.: (070) 244490. Esther de Boer van Rijndoon 20.

LONDON
AMERICAN CHURCH in London at 79 Tottenham Court Road, London W1, SS at 9:45 a.m. & worship at 11 a.m. Goodge street tube; Tel.: (01) 580 2791.

OSLO
American Lutheran Church, Fritznengt. 15 Worship & Sunday School 10 a.m. Tel.: (02) 44.35.84.

PARIS
AMERICAN CHURCH IN PARIS. Worship 11:00 a.m. 65, Quai d'Orsay, Paris 7. Bus 63 at door, Metro Alma-Marceau or Invalides.

STAVANGER
INTERDENOMINATIONAL CHURCH Sunday worship 9:30 a.m. The Hetland Church, Storhaugvn. 2. Tel.: (04) 564843.

STOCKHOLM
EMMANUEL CHURCH, Kungsterag. & Birger Jarl. Friendly Christian fellowship. English, Swedish & Korean. 11:00. Tel.: 46-8 151225 & 309803.

UNITED CHRISTIAN CONGREGATION, Santa Klara Church Ostra Kyrkogata 8, English service 9:00. Tel.: +46-8-723 3029.

VIENNA
VIENNA COMMUNITY CHURCH: A-1010 Vienna, Austria, Dorotheergasse 16. Services Sundays 11:30 a.m.

WARSAW
WARSAW INTERNATIONAL CHURCH, Protestant English language expatriates, Sundays 11:00 a.m. UL. Piekna 14 A. Tel.: 43-29-70.

ZURICH
INTERNATIONAL PROTESTANT CHURCH English speaking, worship service, Sunday School & Nursery, Sundays 11:30 a.m., Schonenzentgasse 25. Tel.: (01) 2625525.

WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Amsterdam	20	68	12	54	fr
Athens	34	93	23	73	s
Barcelona	32	90	17	63	s
Belgrade	32	90	16	61	s
Berlin	23	73	14	57	pc
Brussels	21	70	12	54	fr
Budapest	28	82	13	55	s
Copenhagen	21	70	12	54	pc
Costa Del Sol	31	88	24	75	s
Dublin	14	57	9	48	pc
Edinburgh	16	61	10	50	pc
Faro	32	90	18	64	s
Florence	32	90	17	63	s
Frankfurt	21	70	15	59	pc
Geneva	28	82	14	57	s
Helsinki	24	75	13	55	s
Las Palmas	27	81	19	66	fr
Lisbon	32	90	14	57	s
London	16	61	11	52	r
Luxembourg	17	63	11	52	r
Madrid	29	84	15	59	s
Milan	26	79	16	61	s
Moscow	11	52	9	48	pc
Munich	23	73	14	57	pc
Nice	28	82	17	63	s
Oslo	18	64	10	50	pc
Paris	22	72	14	57	s
Prague	28	82	11	52	s
Reykjavik	12	54	5	41	pc
Rome	31	88	18	64	s
Stockholm	22	72	13	55	pc
Strasbourg	23	73	15	59	pc
Venice	27	81	17	63	s
Vienna	28	82	12	54	s
Warsaw	23	73	10	50	s
Zurich	22	72	14	57	s
MIDDLE EAST					
Algiers	33	77	11	52	fr
Cairo	33	99	26	68	fr
Istanbul	29	82	19	66	fr
Jerusalem	29	84	15	59	fr
Tel Aviv	29	84	18	64	fr
OCEANIA					
Auckland	18	64	8	46	fr
Sydney	18	64	8	46	fr

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	34	93	27	81	r
Beijing	32	90	19	66	s
Hong Kong	32	90	28	82	r
Manila	34	93	27	81	r
New Delhi	42	108	28	82	s
Seoul	32	90	23	73	s
Shanghai	33	91	23	73	s
Singapore	32	90	26	79	r
Taipei	33	91	27	81	r
Tokyo	34	93	23	73	s
AFRICA					
Algiers	33	91	19	66	s
Cape Town	19	66	7	45	sh
Casablanca	24	75	15	59	s
Harare	28	82	13	55	s
Lagos	31	88	24	75	r
Nairobi	28	82	13	55	s
Tunis	32	90	20	68	s
LATIN AMERICA					
Buenos Aires	18	64	11	52	r
Lima	25	77	17	63	s
Mexico City	26	79	13	55	s
Rio de Janeiro	27	81	21	70	s
NORTH AMERICA					
Anchorage	14	57	9	48	r
Atlanta	29	84	19	66	s
Boston	25	77	14	57	s
Chicago	27	81	17	63	s
Denver	32	90	17	63	s
Detroit	28	82	16	61	s
Honolulu	30	86	24	75	pc
Houston	32	90	21	70	s
Los Angeles	26	79	17	63	pc
Miami	31	88	24	75	s
Minneapolis	27	81	16	61	s
Montreal	25	77	14	57	s
Nassau	31	88	24	75	s
New York	28	82	17	63	s
Phoenix	41	106	28	82	s
San Francisco	21	70	13	55	pc
Seattle	21	70	12	54	pc
Toronto	28	82	17	63	s
Washington	34	93	23	73	s

cl-cloudy; fa-foggy; fr-frost; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sn-snow; st-stormy.

SATURDAY'S FORECAST — CHANNEL: Choppy. FRANKFURT: Partly cloudy. Temps. 23 — 12 (73 — 54). LONDON: Rainy. Temps. 19 — 12 (66 — 54). MADRID: Fair. Temps. 34 — 19 (93 — 66). NEW YORK: Partly cloudy. Temps. 29 — 17 (84 — 63). PARIS: Cloudy. Temps. 22 — 13 (72 — 54). ROME: Fair. Temps. 30 — 15 (86 — 59). TEL AVIV: Hot. Available. ZURICH: Partly cloudy. Temps. 25 — 10 (77 — 50). BANGKOK: Rainy. Temps. 34 — 27 (93 — 81). HONG KONG: Cloudy. Temps. 32 — 28 (90 — 82). MANILA: Rainy. Temps. 27 — 23 (81 — 73). SEOUL: Rainy. Temps. 26 — 18 (82 — 64). SINGAPORE: Rainy. Temps. 30 — 24 (86 — 75). TOKYO: Fair. Temps. 31 — 25 (88 — 77).

After House Defeat, Flag Issue Is Dead In Congress for '90

By Tom Kenworthy
Washington Post Service

WASHINGTON — The House has rejected a proposed amendment to the Constitution that would have permitted Congress and the states to enact laws making it illegal to desecrate the flag.

The vote of 254 to 177 for the amendment was 34 votes shy of the two-thirds necessary for passage, putting to rest a yearlong legislative battle over the nation's pre-eminent symbol and the constitutional protections it embodies.

But partisans on both sides said the vote Thursday was likely to be only a prelude to an intense battle in the congressional campaigns this fall.

The House vote to kill the amendment followed an emotional and divisive seven-hour debate and came a year to the day after the first of two Supreme Court decisions overturning flag-desecration laws as an infringement on the First Amendment guarantee of free speech.

The measure would have amended the constitution to allow for the prosecution of those who deface or destroy the flag.

It had overwhelming support among Republicans, with 159 supporting it and only 17 opposing it. But Democrats voted against it, 160 to 95.

The House speaker, Thomas S. Foley, Democrat of Washington, proclaimed the flag issue dead for the remainder of the 101st Congress.

"We are not going to go 'round and 'round and 'round and 'round," on an amendment that must be approved by two-thirds of both the House and Senate and then 38 state legislatures, he said.

But the Senate Republican leader, Bob Dole of Kansas, said he would still press for a Senate vote, probably next week.

Although the House vote killed the amendment, it is unlikely to quell the political dispute that has at times overshadowed the more fundamental issues.

Even as supporters and opponents of the proposed amendment were taking to the House floor to lament as demagoguery the debate on the the flag issue, political operatives from both parties were maneuvering to exploit or blunt the impact of the vote.

At the Capitol Hill headquarters of the National Republican Congressional Committee, employees draped flags from every window Thursday morning. Within minutes of the House vote, they sent telefaxed press releases throughout the country assailing House Democrats who opposed the amendment, saying they were "flag wavering."

The debate in the House was largely a reprise of arguments that have become familiar in the last year, as both houses of Congress wrestled with the merits of trying to protect the flag by amendment or statute.

But with an amendment on the line for the first time, emotions ran higher.

Proponents cast the amendment as a narrowly drawn vehicle that would protect the most revered national symbol from attack while leaving intact the free-speech guarantees in the Bill of Rights.

But opponents portrayed the amendment as a precedent-breaking assault on the nation's most cherished freedom, as a blunt instrument being wielded by cynical politicians wrapping themselves in the flag to win votes under the guise of defending patriotism.

On Patronage Issue, Some in U.S. Say Court Spoils the Party

By E.J. Dionne Jr.
Washington Post Service

WASHINGTON — The Supreme Court's decision to limit the power of politicians to distribute political patronage continues a century-long trend against machine politics and the spoils system.

The decision was made at a time when many political scientists are arguing that expanding the patronage power of elected officials might make bureaucracies more accountable and strengthen beleaguered political parties.

The court acted on the same day that the Senate failed to overturn President George Bush's veto of a bill that would have expanded the rights of U.S. government workers to engage in partisan political activity. Taken together, the two actions reflect a skepticism about mixing partisan politics and civil-service employment that is deeply embedded in American history.

On the issue of how much of an independent voice public employees should have as a group, the actions went in radically different directions. While the Supreme Court was vastly expanding the rights of state and local employees to go their own way on political questions, 35 senators — enough to sustain Mr. Bush's veto — voted to retain restrictions on the ability of federal employees to act on their political convictions.

Janice Lachance, the political director of the American Federation of Government Employees, praised the Supreme Court for protecting "the First Amendment freedoms" of state and local employees, while "a handful of senators have prevented public employees from exercising these same rights."

A number of political scientists, especially those whose main concern is strengthening political parties, had a different complaint.

Larry Sabato, a political science professor at the University of Virginia, described himself as "horrified and saddened" that his work had been cited by Justice William J. Brennan Jr. in the majority opinion limiting patronage. Mr. Sabato argues that elected officials need more, not less, political discretion.

"This helps to establish the bureaucracy even more firmly as a separate branch of government wholly apart from the elected officials," Mr. Sabato said. "It gives them more insulation from the elected officials who are supposed to be running the administrative branch of government."

"Patronage has a terrible reputation," he continued, "but it makes the government more responsive by making public offices change when the electorate changes its choices."

James Q. Wilson, a professor of public management and public policy at the University of California at Los Angeles, also questioned the decision. "Does this mean that the legitimate interests of elected officials in imposing policy-making on the government must be subordinate to the individual rights of employees to reflect their own opinions?" asked Mr. Wilson.

But Esther Fuchs, a political scientist at Barnard College, said local governments already may be one step ahead of the Supreme Court. "Many cities are hiring temporaries or provisionals when they want to circumvent civil-service rules, so the decision may not have much of an impact," she said.

For foes of machine politics, especially in places like Chicago where political organizations still have some power, the political scientists' view overlooks abuses in the patronage system.

Terrence Brunner, executive director of Chicago's Better Government Association, said that instead of making government responsive, the patronage system kept politically connected but incompetent civil servants in office.

"The taxpayers were getting the shaft because they weren't getting the best possible people in government," Mr. Brunner said. "If you promoted people on the basis of political clout rather than merit, you demoralized good people in government."

Arguments for and against patronage are, of course, as old as the republic. The modern patronage system was developed in the 1830s by President Andrew Jackson and his able political lieutenant, Martin Van Buren, who later became president himself. Martin Shefter, a political scientist at Cornell University, said the Jacksonians saw patronage "as good for the country because it was democratic, it ensured rotation in office and it brought fresh people into government."

The war on patronage began after the Civil War, especially in reaction to corruption in national Republican administrations and in local, mainly Democratic, machines. The reformers' first victory was the passage of the Pendleton Act in 1883, which set up the Civil Service Commission. Reform movements gained strength in the Progressive Era after the turn of the century, subjecting more and more jobs at all levels of government to civil service rules.

Patronage politics suffered blows from other sources as well, Mr. Wilson said. The New Deal of the 1930s distributed more benefits directly through the federal bureaucracy, circumventing local political organizations; and the prosperity after World War II brought large numbers of voters into the middle class, making them less dependent on the favors of politicians. The growing political importance of television made such middle-class voters even more independent of the will of precinct captains — in those few places where precinct captains were still at work.

Still, patronage survives in other, highly lucrative forms. Susan Tolchin, a professor of public administration at George Washington University in Washington, said the patronage that really matters to state, local and national political organizations takes the form of large contracts they can give to private businesses.

"Patronage has changed from the traditional Christmas turkey to the big architectural contract and the defense contract," she said. She also noted that many studies of patronage overlook the power that politicians have to get people jobs in the private sector through their contacts with businessmen and corporate leaders. Politicians themselves, she noted, often land such jobs after they leave office — in banks, in law firms and at investment houses.

U.S. Banned List: 353,000 Names

The Associated Press

NEW YORK — The U.S. government's list of foreigners barred from the country for political reasons is far longer than previously thought, and most names were added since the start of the Reagan administration, documents show.

Details of the so-called "lookout book" emerged in documents released in response to a lawsuit brought by a Colombian journalist who was turned back at a New York airport four years ago.

The list, previously estimated by immigration lawyers to have about 40,000 names, has 353,324 entries from 146 countries, territories and other areas. More than two-thirds of the entries appeared to have been made after 1980. Officials said that since some names were entered more than once, it was impossible to know how many individuals were on the list.

Assistant U.S. Attorney Chad Vignola, who handled the government's case, said that an estimate by a lawyer for the journalist, Patricia Lara, of more than 300,000 individuals was "simply wrong."

The lawyer, Arthur C. Helton, said most of the individuals — at least 341,000 entries — were barred because of political beliefs. He is an attorney for the Lawyer's Committee for Human Rights.

"I think the disclosure is astounding both in terms of the magnitude of the listings and the high level of current denial," he said.

He added that more than two-thirds of the entries — 238,140 — were made since 1980, and 4,399 in the first three months of 1990.

The increased number of exclusions occurred at a time when both Congress and the courts were trying to narrow their scope.

In February, President George Bush had signed a law prohibiting exclusion of anarchists, communists, or adherents to totalitarian beliefs.

Famous people who have been listed include the authors Gabriel Garcia Márquez, Pablo Neruda, Graham Greene, Doris Lessing and Carlos Fuentes, the actor Yves Montand and the former Rhodesian prime minister, Ian Smith.

The entries date to 1904 but the bulk were under sections of the 1952 McCarren-Walter Act. The sections cover security risks, political beliefs, and subversion and violent activities.

Miss Lara, a 1980 graduate of the Columbia University Graduate School of Journalism, came to New York in 1986 to receive the Maria Moors Cabot Prize in journalism. She was detained at the airport, her visa revoked and she was sent back to Colombia without a hearing.

Authorities alleged she was linked to Colombian terrorists. She maintained she was barred for writing articles critical of U.S. policy in Central America.

Bill Beattie/The Associated Press

Two boys learning about the AIDS virus at a children's museum in San Francisco.

Conference Is Told Of New AIDS Drug

Reuters

SAN FRANCISCO — Researchers at the Sixth International Conference on AIDS voiced increased optimism Friday that a vaccine against the disease is possible in coming years, and a Japanese company reported that it had developed a drug that may combat the virus.

A spokesman for Daiichi Pharmaceutical Corp. said in Tokyo that the drug, DR3355, had killed the HIV-1 virus in human white blood cells in 30 days of test-tube trials.

Daiichi will apply to the U.S. government to start clinical testing of DR3355 later this year, the spokesman said. The tests will be conducted jointly with the American pharmaceuticals company Johnson & Johnson.

The Daiichi report was the latest from among a dozen research teams in a race to develop a vaccine against AIDS, an idea that until a year ago experts greeted with little optimism.

But progress in recent months has given new hope to the researchers among the 12,000 delegates at the conference, the largest gathering ever assembled to learn about a disease.

In conference sessions, delegates learned that a once highly touted experimental AIDS drug known as CD4 had been found in early human trials to have little or no effect against the AIDS virus.

In the laboratory the drug performed as expected, but in human subjects it did little or nothing, said Dr. Lawrence Corey of the University of Washington at Seattle.

The frustration over the lack of progress in fighting the disease continued to spill into San Francisco's streets, as about 500 demonstrators marched on Thursday for three hours, blocking traffic and shouting demands for more government medical care.

■ Romania Orphans At Risk

Ten percent of Romanian children living in orphanages and medical institutions have tested positive for the AIDS virus, United Press International reported.

A Romanian health official said a number of factors probably contributed to the high infection rate, including widespread transfusions using poorly screened blood, reuse of injection equipment and inadequate sterilization.

Overall, 10 percent of the 10,000 children tested have repeatedly had positive results. The rate of infection was highest at medical institutions, where 20 percent of children tested positive.

■ Babies Infect Mothers

Thirteen babies who became infected with the AIDS virus in Soviet hospitals have spread the virus to their mothers in what appear to be the first reported cases of infant-to-mother transmission through breast-feeding, the Los Angeles Times reported.

The cases, reported by Soviet researchers, are believed to represent a new, albeit rare, means of spreading the virus. Experts in the field described the discovery as "interesting and disturbing" but said the phenomenon is unlikely to become widespread.

"I think worldwide it's very rare," said Dr. Vadim V. Pokrovsky of the Central Research Institute of Epidemiology in Moscow, who headed the study.

AIDS Expert's New Theory

French Scientist Cites Role of Bacteria-Like Organism

By Malcolm Gladwell and Michael Specter
Washington Post Service

SAN FRANCISCO — One of the world's foremost AIDS researchers said he is no longer convinced that the human immunodeficiency virus, or HIV, is the sole cause of AIDS.

In an unusual, three-hour session at the Sixth International Conference on AIDS here, Luc Montagnier, who headed the French research team at the Pasteur Institute that was one of the discoverers of HIV in 1983, challenged one of the most fundamental scientific beliefs about the disease.

He presented data showing that a bacteria-like organism known as a mycoplasma spurs a slowly reproducing population of AIDS viruses into one that multiplies much faster — at least in cells growing in a dish. He suggested that in human beings, mycoplasma infection turns an otherwise benign HIV infection into a disease.

Dr. Montagnier's statement immediately drew criticism from a spectrum of other AIDS experts. They said it appeared to challenge a large body of research accumulated since the AIDS virus was discovered.

Mycoplasma infections, which cause a number of diseases including pneumonia, have been thought for some time to be a one of several infections that attack the body along with with HIV, weakening the immune system further and possibly explaining why some people get sick faster than others.

But in a conclusion that drew deep skepticism from many AIDS researchers, Dr. Montagnier took the mycoplasma hypothesis even further, saying that he found it "quite feasible" that the microbe may be the critical additional factor that turns HIV from a "peaceful" virus into a killer.

Mycoplasma specialists, who have been contending for some time that the organism plays an important role in the disease, said Dr. Montagnier had taken an unusually bold position based only on preliminary data.

"My feeling is that there will have to be a whole lot more work done before we can understand this," said Joseph G. Tully, a mycoplasmologist at the National Institutes of Health.

Dr. Montagnier's hypothesis addresses one of the mysteries of AIDS, namely how a virus that lies quietly in the cells of infected patients for years can suddenly explode and begin killing the cells of the immune system.

Dr. Montagnier said that if he added mycoplasmas to a dish of HIV-infected cells in the laboratory, the viruses began reproducing much faster. He also said that when he added an antibiotic that kills mycoplasmas, the rate of virus proliferation dropped back to a low level. The antibiotic has no effect on HIV.

Together, Dr. Montagnier said, these findings suggest that the mycoplasma has a synergistic effect with the HIV virus to make it lethal, and that HIV alone is necessary but not sufficient to cause AIDS.

Dr. Montagnier's doubters said other infectious agents have all been shown to enhance the potency of HIV in laboratory experiments. But none has any proven impact on the course of the disease in humans.

Other scientists said that if Dr. Montagnier's thesis were correct, then there would be a high incidence of mycoplasma-related disease in the general population, particularly among people whose immune systems, like those of AIDS patients, are weakened. But, they said, that has not been the case.

Still, the fact that the idea has been advanced by a scientist as prominent as Dr. Montagnier has created a stir of excitement at this conference, adding a note of scientific debate to a meeting that so far has had few surprises.

Bob Daugherty/The Associated Press

PORTRAIT OF 50 YEARS OF MARRIAGE — Former President Richard Nixon and his wife, Pat, at an anniversary party that offered a rare view of their life in Saddle River, New Jersey.

AMERICAN TOPICS

Kids Get Credit Cards To Buy School Meals

Pupils are using plastic cards to pay for their soup, sandwiches and milk at a school cafeteria in the southern Connecticut city of Milford. One school is testing the program, which is expected to be used by Milford's 12 elementary schools within the next two years. Typically, teachers collect money for the card from the pupils once a week.

"This is a tremendous time-saver," said the food service director for the Milford school system, Edward Huff. "Collecting money from pupils each day is a very cumbersome task that takes valuable time away from teaching." He added that any pupil who ran out of credit on the card would still get a lunch.

The school lunch coordinator for the state board of education, Jane Bantley, said the new system also safeguards the privacy of children who get public assistance.

Short Takes

Henry E. Catto, the U.S. ambassador to Britain, said New York City had no business naming a street corner after a member of the Irish Republican Army who has been sentenced to life in prison for the 1980 killing of a British Army officer in Belfast. Last week, Mayor David N. Dinkins signed a New York City Council bill naming the street corner "Joseph Doherty Corner." On that corner stands a jail where Mr. Doherty, 35, has spent the past seven years fighting extradition to Britain. He escaped from a Belfast prison in 1981 and was arrested in New York in 1983. "Mr. Doherty is no hero," Mr. Catto wrote in an open letter. "The IRA is a gang of murderers which deserves New York City's condemnation, not its commemoration."

The French-American Foundation, which is based in Paris and New York, has awarded its annual two-month internships in the United States for French journalists to Pascale Deschamps, 30, of the French public television channel Antenne 2; Anne Gouraud, 27, of the French public television channel FR3; and Hélène da Costa, of Radio France Internationale.

Baseball has only the third-longest season in U.S. professional sports — 209 days from opening day to the closing game of the World Series last fall. Hockey ran longest, 232 days for the season that just ended, and basketball came second at 224 days. Football was fourth at 141 days. Tennis, golf, boxing and horse-racing are year-round sports.

Wayne T. Gilchrest, a candidate for Congress in Annapolis, Maryland, ran a radio advertisement in his primary election campaign that included an endorsement from former President Ronald Reagan. The advertisement did not mention that Mr. Reagan's endorsement was for the 1988 general election, when Mr. Gilchrest nearly unseated the Democratic incumbent. Now, he is running against fellow Republicans, who immediately cried foul. Mr. Gilchrest agreed to drop Mr. Reagan's endorsement.

Mensa, the organization for people with intelligence quotients in the highest 2 percent of the population, issued a statement on its national convention in Anaheim, California, that began, "What happen when over one thousand geniuses get together under one roof?" Mused the Los Angeles Times, "We don't know — what happen?"

Arthur Higbee

Rare U.S. Owl Wins in Court, to Loggers' Dismay

The Associated Press

WASHINGTON — The U.S. Fish and Wildlife Service declared Friday that the rare Northern Spotted Owl was a threatened species, but delayed until next week announcing a specific plan for protection that could affect thousands of logging jobs in the American Northwest.

Designation as a threatened species makes it illegal to harm any of the owls or destroy their critical habitat without federal government approval. An estimated 3,000 to 5,000 pairs of the owls survive in the ancient forests of Washington, Oregon and Northern California.

An Interior Department study has estimated that protecting the owl would curtail logging over vast areas and cost as many as 28,000 logging jobs over the next decade.

Environmentalists consider that the health of the owl is a good indicator of the overall condition of the forests themselves.

MEMORIAL NOTICE

HARRY WARD BAILEY II

A service of thanks giving for the life of Harry Bailey will take place at the Grovenor Chapel, South Audley Street, Mayfair, London, on Tuesday, June 26, at 11 a.m.

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Herald Tribune
INTERNATIONAL
Published With The New York Times and The Washington Post

OPINION

Aiding the Soviets

Last year, the Group of Seven took up aid to Eastern Europe, and such has been the rush of events that this year these leading industrial democracies will try to work through the merits of aid to the Soviet Union. The idea languished through the spring; democratic governments could not countenance aid to the Kremlin while it was throttling Lithuania.

But with signs that President Mikhail Gorbachev is looking to a looser federation to contain ethnic strivings in the Baltics and elsewhere, President François Mitterrand has said the G-7 countries should consider "financial, commercial and technical aid" to enable Mr. Gorbachev to sustain détente and reform — cheap at the price of about $20 billion, it is argued. The proposal may gain some momentum at the 12-nation European Community summit in Dublin on Monday and Tuesday. The Group of Seven gathers in Houston starting July 9.

President George Bush is taking an accommodating stance, saying he is ready to talk. Plainly, he realizes that powerful economic as well as political currents drive the West to engage, and he does not want to see a gap open on this issue or to lose the opportunity to steer the process.

Separate parts of the discussion have already begun. For instance, some American taps would be opened as soon as Soviet policy on Lithuania and Jewish emigration meet congressional terms for putting into effect the trade agreement that Mr. Gorbachev signed in Washington. As commonly used, "aid" covers a multitude of economic transactions along a broad spectrum — ranging from official-concessional to private-commercial — and consultation within the Group of Seven is overdue.

Mr. Bush leans to transactions at the commercial end. That instinct is sound; let commerce go forward. But concessional aid without reform — reform of the profound society-racking sort that East Europeans are attempting and the Soviets are not — is economically dubious. Concessional aid to a country that still manages to afford not only great military deployments but also huge subsidies to unelected regimes in Cuba and Afghanistan is politically dubious. Concessional aid that might otherwise go to struggling democracies — in East Europe, Central America or Namibia — or poor nations in the Third World is morally dubious. These considerations must be weighed against the undeniable Western interest in seeing Mr. Gorbachev's good policies succeed.

— THE WASHINGTON POST.

Bailing Out a Bailout

Dan Rostenkowski, chairman of the House Ways and Means Committee, startled a meeting of mayors this past week by declaring there would be no peace dividend for the cities. Why? Because the federal money freed by defense cuts would be gobbled up by the bailout of bankrupt savings and loan institutions. At the same conference, Mayor David Dinkins of New York lamented that the bailout "sinkhole" would swallow resources needed for mass transit, education or drug enforcement.

These thoughts are well meant. But they are also, at least as a matter of economics, wrong. The bailout, though gigantic, need not subtract one dime from America's ability to build railroads or treat drug addicts.

There is a better way to pay for the bailout: Borrow the money. Unless politicians understand that this is responsible, even in a period of huge deficits, they will squander a golden opportunity to finance starving social programs.

Building missiles and tanks requires skilled workers and equipment. For Congress to cut back on these, with the end of the Cold War, would free workers to build schools, for instance, or high-speed trains. The thrift bailout, unlike defense, produces nothing. It transfers money, from taxpayers to depositors of failed thrifts collecting their federal deposit insurance. Administrative costs aside, the transfer uses neither skilled workers nor valuable equipment. Because the bailout only affects money — pieces of paper — and not productive resources, the country's capacity to produce schools and trains is undiminished.

Even so, Congress must find enough dollars — by one estimate, $150 billion — to pay the insured depositors at failed thrifts. It could cut other federal programs, almost certainly sacrificing needed social investments. It could raise taxes. But large tax hikes are politically improbable and economically damaging. The right answer is to borrow the money, waiving the Gramm-Rudman-Hollings budget law accordingly. That is the politically expedient but also the fiscally responsible way out.

For one thing, the thrift bailout is a temporary problem that justifies no catastrophic jolt to taxpayers or social programs. For another, Gramm-Rudman's purpose is to limit how much money Congress drains from the private capital market. But borrowing for the thrift bailout poses no such threat. It merely replaces money that depositors at federally insured thrifts already assume they have. These depositors are no more likely to spend the replacement funds than they were to spend the original deposit. The replacement money would remain in the capital market, available to corporate borrowers.

Gramm-Rudman should not be waived, however, for the subsequent interest cost. Interest on the loans, unlike the bailout itself, will represent ordinary claims on the country's capital market. The savings and loan bailout is routinely cited as the reason America cannot attend to its cities, children or other constituencies. Economic reality does not require that sacrifice. Congress can responsibly borrow the money.

— THE NEW YORK TIMES.

No to Demagoguery

A sizable and courageous minority in the House of Representatives stood up to the fierce politics of flag burning Thursday night and cast enough votes to block the Bill of Rights Rewrite Amendment. Not the Flag Protection Amendment, as President George Bush calls it — Old Glory keeps flying even when someone burns a copy. What the House disapproved was the first attempt in years to rewrite the Bill of Rights.

Those first 10 amendments to the Constitution tell government what it may not do, even by majority vote. The charter of liberties needs no editing because government has all the power it needs and the people need all the liberties they can conserve. The speaker of the House, Tom Foley, said, "If conservatism does not mean to preserve the basic institutions of liberty, then I don't know what conservatism means today."

In light of the demagoguery and the threats of political punishment, the vote of 177 against the rewrite and 254 for it showed that courageous House members were more numerous than the Bill of Rights defenders had thought. Unfortunately those defenders are not a majority, but fortunately it takes two-thirds of the House and Senate to send amendments to the states for ratification.

The House moved swiftly after the Supreme Court's decision holding that flag burning, however despicable, is expressive conduct subject to constitutional protection. Congress remains well within its rights to pass a law punishing flag burning, or other forms of disorderly conduct, in circumstances calculated to provoke imminent danger of violence. Beyond that, let's stop trying to improve upon the eloquence of the Founding Fathers.

— THE NEW YORK TIMES.

Other Comment

Soviet Central Asia Simmers

Simmering away in the Soviet Union are emotions that could grow to make events in the Baltic republics look boring by comparison. Recent clashes between Uzbeks and Kirghiz, with many deaths, are a symptom of the latent power lurking in the superpower's 50 million Muslims, a bigger population than in any single Arab country.

Like the uprising in Azerbaijan last year, these episodes of violence threaten to get out of control. At the very least, they remind Mikhail Gorbachev of the absurdity of trying to run such a vast empire from Moscow. Reform-minded leaders have been paying attention to this part of their empire since the Azerbaijan affair. They surely realize that an assertive or aggressive Muslim population could suck them into the Middle Eastern quagmire at a time when such a disaster is the last diversion they need.

The Soviet Muslim birthrate is four times that of the Slavs. At the turn of the century, they will comprise one Soviet citizen in four. Already their young conscripts dominate the lowest ranks of the army, making the problem of putting down any mass insurrections doubly difficult.

— The Age (Melbourne).

The Middle Way Can Work

The handshake this week between President Gorbachev and Boris Yeltsin may signify a new and promising coalition among those seeking to move forward. The reason they apparently had to mend their quarrel was the massed display of conservatism down on the floor. Four out of five speakers at the Russian Communist Party's Congress attacked Mr. Gorbachev's policies. Mr. Gorbachev and Mr. Yeltsin should both realize the need for a well-judged double act. Whatever their differences, the two men represent a spectrum which reflects the great majority of Soviet opinion.

— The Guardian (London).

Mr. Gorbachev's Communist Party, pulled on one end by the small and radical democratic faction hell-bent on reforms and on the other by the conservative Marxist-Leninist anti-reform group, is seemly heading toward an inevitable split. But there is a way out. If Mr. Gorbachev can pit the extreme groups against each other at the crucial party congress on July 2, he could gain more support for his policies, which, in contrast, seem practical and centrist.

— Lianhe Zaobao (Singapore).

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The Mideast Moderates Must Make a Stand

By Faisal Husseini and Yael Dayan

NEW YORK — In 1948, our fathers — Abdul Kader Husseini, military commander of the Palestinian forces, and Moshe Dayan, who later would become defense minister — fought each other courageously on the battlefield. Today we are united in a different battle, one in which the stakes have never been higher for Jews and Arabs: the battle against extremists who are attempting to sabotage the peace process. We must not let these extremists succeed.

In recent weeks, the region has lived through a frightening escalation of violence: the murder of Palestinian workers at Rishon Le-Zion and the subsequent Israeli attempts to suppress public manifestations of Palestinians' grief, the bombing in a Jerusalem marketplace and the attempted raid by Mohammed Abbas's Palestine Liberation Front on Tel Aviv beaches. And now the friends of peace are confronted by a new, intransigent, messianic Israeli government.

Partisans of a Greater Palestine and Greater Israel have made common cause. Those who shun all compromise are pushing the Arabs and Israelis dangerously close to another war, which will be far more deadly than the one our fathers fought. The chemical, biological and nuclear arms in the region mean that hundreds of thousands could die.

The prospect of this devastation brings a new urgency to our joint quest for peace. While we disagree on a number of issues, we are united by our ultimate goal: a negotiated settlement based on the principle of trading territory for peace — a settlement that results in self-determination and security for Israel and Palestine. Peace implies painful compromises by both sides.

We accepted the invitation of the Americans for Peace Now organization to visit the United States in order to tell Americans who have accommodated themselves to the present situation that there is no such thing as a permanent status quo. There are only two choices: peace through mutual recognition, or war. They can either join the peace advocates or can become the unwitting allies of rejectionists on both sides.

Temporary setbacks, no matter how alarming, cannot be permitted to stall recent years' progress toward peace. Today at least 54 percent of Israelis would accept negotiations with the Palestine Liberation Organization — if the PLO recognized Israel and renounced terrorism.

Because of this sentiment, two Labor Party leaders, Shimon Peres and Yitzhak Rabin, agreed to talk peace in Cairo with Palestinians who presumably would have been approved by the PLO. Prime Minister Yitzhak Shamir and Ariel Sharon rejected this option, and are now in power. Their new right-wing coalition relies on the support of marginal extremists — including those calling for the "transfer" (expulsion) of Arabs from occupied territories — whom most Israelis do not support.

Just as an aroused Israeli public forced an extremist government to withdraw from Lebanon in 1982, public outrage, we believe, will stop Mr. Shamir and Mr. Sharon from achieving their Greater Israel agenda.

The PLO's quest for a negotiated two-state solution is still favored by the overwhelming majority of Palestinians in the occupied territories. They agree with the more than 84 percent of the Palestine National Council members who voted in 1988 for the two-state solution.

These trends are manifesting themselves in a growing grass-roots peace movement that includes PLO sympathizers in the territories and Zionist peace activists. Last December, thousands of Palestinians and Israeli Peace Now supporters, calling for peace based on a two-state solution and talks between the PLO and Israel, participated in the largest rally ever held in Jerusalem.

While some Palestinian factions probably will perpetrate more violence in the territories, the world must not forget that a sea change has taken place among most intifada and PLO leaders as well as ordinary Palestinians in the last two years. They are not out to destroy Israel but to live side by side with it.

The U.S. government must take cognizance of these facts. When the United States decided to talk with the PLO, it strengthened moderates on both sides. By suspending that dialogue, the government is handing a victory to the Palestinian beach raiders and extremists who control the Israeli government. Washington should move swiftly to renew contacts with the PLO and press for talks that will lead to a solution that satisfies the national aspirations of both peoples.

Both of us have lived all our lives with the consequences of rejectionism. Forty-two years after our fathers fought a war, we have concluded that territorial compromise and mutual recognition are not naive dreams. They offer the sole hope for the survival of our peoples. For the sake of our children, we will work together until that hope becomes a reality.

Faisal Husseini is considered one of the main Palestinian leaders on the West Bank. Yael Dayan is a member of the Central Committee of Israel's Labor Party. They contributed this comment to The New York Times.

A Question Of Trusting In Germany

By William Safire

LONDON — Facing the prospect of the end of the division of Germany within six months, Westerners with historical recall face this dilemma: Whom should we distrust more — the Russians or the Germans?

Nobody puts it so outrageously, of course. All agree that the brave new world a-borning requires some basis of trust; a stable peace with freedom is not a zero-sum game.

But underneath their bonhomie, European and American diplomats know a gut judgment cannot be avoided: Is the greater danger to peace in the next generation likelier to come from a domineering Germany or a resurgent Russia?

Put the same question in more acceptable terms: Should we be sensitive to Moscow's concerns about post-occupation German militarism — or should we treat those suspicions as excuses for Soviet foot-dragging on conventional arms reduction?

Taking two generations of good West German behavior into account, my inclination is to mistrust the convulsing Soviet Union more; to put faith in the ability of German free enterprise to enhance political freedom, and to say: Welcome to NATO, East Germans; Russkies go home.

And yet, and yet — this fellow Genscher gives me pause. Foreign Minister Hans-Dietrich Genscher, the Ost-politician who jumped the previous ship to help put Chancellor Helmut Kohl in power, is too crafty by half. Three months ago, he quietly set up a working group within his ministry to study troop deployments and air cover within a united Germany. The goal: to set up a strong "national means" of defense throughout Germany, including the East.

West Germany had already offered the Soviets a deal: In return for allowing the unified Germany membership in NATO, Bonn would not station "NATO troops" in what had been East Germany during a five-year transition period of Soviet withdrawal; nor would the U.S. nuclear umbrella extend east of the Elbe.

But not all West German military forces are "NATO troops." I'm informed that Mr. Genscher directed his startled diplomatic aides to see how non-NATO Bundeswehr troops, military police and border guards could form the cadre of a sovereign national defense force.

Here's the tricky part: When Defense Minister Gerhard Stoltenberg made a similar proposal at the end of last year, Mr. Genscher slapped him down publicly, assuring the Soviets this was out of the question.

When members of his Foreign Ministry staff wondered about two-facedness, Mr. Genscher shrugged and said the defense minister had made a tactical error in bruiting it about, but that a sovereign state had the right to defend its territory without interference.

Mr. Genscher added that neutralization of East Germany was not in the cards. This would disappoint the Polish government, because an eastern Germany with its weapons pointed eastward — whether or not under NATO control — would make Poland a frontline state in Soviet eyes, thereby slowing the withdrawal of Soviet troops from Poland.

Look: I wasn't in the room; the official reaction to this will be apoplectic. But a related item lends the reports credence: Bonn is pressing London and Washington for exclusive Luftwaffe jurisdiction over what is now East Germany.

Here would be the beginnings of a West German strategy for taking military control of East Germany with non-NATO Bundeswehr troops — being planned not a month after the foreign and defense ministers assured the world that no West German troops of any sort would be introduced into East Germany.

No wonder the Soviets are antsy about pulling their occupation troops out of East Germany; the KGB could not be unaware of the Genscher working group's workings.

The suspicion thus generated dovetails with the Red Army's World War II hatreds and with the new Soviet desperation to get a whopping financial reward for going home.

German leaders are probably convinced that Mr. Gorbachev can be bought off with a $20 billion ransom, and that a German force east of the Elbe will worry him less than devolutionaries within the Soviet empire.

If I were German, I'd want my whole country defended by Germans. If I also wanted to earn the trust of a mistrustful world, I would want my Foreign Ministry to avoid even the appearance of duplicity.

The New York Times.

June 22, 1940: France Fell and the Abyss Opened

By Francis L. Loewenheim

HOUSTON — Fifty years after the event, there can be few Americans or Europeans in their mid-60s or older to whom the fall of France in June 1940 did not come as one of the shocking events of their lives. Indeed no modern military triumph compares with it, not even Prussia's lightning victory over Austria in 1866.

"The Strange Defeat" (*L'Etrange Défaite*), as the renowned French historian Marc Bloch called it in an illuminating book, came with dramatic suddenness. Hitler's massive forces had struck in the West on May 10. By May 14, the Dutch military had surrendered, and on May 29, King Leopold III of Belgium abruptly ordered his army to cease fighting. Within weeks, the Wehrmacht's blitzkrieg had far surpassed the achievements of the Kaiser's armies in August-September 1914.

On June 10, 1940, when the outcome was no longer in doubt, Mussolini declared war on France and Britain. ("I need a few thousand dead," the Duce reportedly said, "so that I can attend the peace conference as a belligerent.") On June 13, the French government declared Paris an open, undefended city. The following day, German troops marched down a grimly silent Champs-Elysées, and the swastika flew over the Eiffel Tower. On June 17, a new French government headed by Marshal Henri Philippe Pétain, the World War I hero, formally asked the German High Command for an armistice.

Accordingly, in midafternoon on June 21, plenipotentiaries representing France and Germany met in the forest of Compiègne, northeast of Paris, symbolically in the same old railroad dining car 2419D in which Imperial Germany surrendered to the Allies in November 1918.

Hitler and the six highest officials of the Third Reich (including Goering and Hess) arrived for the opening of the proceedings. Hitler sat in the chair Marshal Ferdinand Foch occupied 22 years before, remained for 10 minutes to hear the reading of the preamble of the 30-page armistice terms, after which — giving the Nazi salute but not uttering a word — he quickly departed. There followed 24 hours of minor wrangling, with the German military representatives refusing any substantive concessions.

At 6:50 P.M. on Saturday, June 22, 1940, the head of the French delegation, General Charles Huntziger, signed the onerous German terms on behalf of his government. From London, General Charles de Gaulle broadcast to his people and the world: "The war is not lost ... It is not a Franco-German war that can be decided by a single battle. It is a world war."

So ended 43 days of total war. How was it all possible? French and Germans have written for years about 1940. The Nazis had read Republican France like a book. They sensed every possible weakness and division. The French, in turn, believed the principles of 1789 and the genius of 1914 would save them again.

The causes of France's collapse were many and long-standing. In truth, France was a fading power, deeply uncertain about its past and present. "Better Hitler than Blum" was a favorite right-wing slogan in the mid-1930s, followed by "Why Die for Prague?" (or Danzig).

Despite Winston Churchill's unquestioned desire to extend assistance, Britain was as unprepared to help as she had been in the critical days of 1914. Paul Reynaud, the French prime minister who resigned on June 16 because he was unwilling to be party to an armistice, had repeatedly appealed to President Franklin D. Roosevelt for immediate assistance.

Mr. Reynaud told him it was vital that "clouds of warplanes from across the Atlantic come to crush the evil force that dominates Europe." Mr. Roosevelt responded with words of encouragement but he made no promises of large-scale logistic support.

On June 18, 1940, the German ambassador in Moscow, Count Werner von der Schulenberg, reported the official Soviet response to the Nazi triumph in the West, together with the news of the Red Army's occupation of Estonia, Latvia and Lithuania. In a cable to the German Foreign Office, the ambassador said that the Soviet foreign minister, Vyacheslav M. Molotov, "summoned me this evening to his office and expressed the warmest congratulations of the Soviet government on the splendid success of the German Wehrmacht.

"Thereupon, Molotov informed me of the Soviet action against the Baltic States. He referred to the reasons published in the press and added that it had become necessary to put an end to all the intrigues by which England and France had tried to sow discord and mistrust between Germany and the Soviet Union in the Baltic states."

The British historians Peter Calvocoressi, Guy Wint and John Pritchard recently wrote: "The fall of France was much more than a military decision. It was a portentous distortion of history, all the more shattering because its completeness led nearly everybody to suppose that it was final and irreversible ... Whereas the defeat of Poland had been a tragedy which further shifted the balance of power in Europe Hitler's way, the fall of France opened an abyss of uncertainty for the whole continent and shook the imagination as perhaps nothing had shaken it since the victory of the Turks at Mohacs in 1526."

No wonder Nazi German exultation seemed boundless. Propaganda Minister Joseph Goebbels rhapsodized in his personal diary, published in 1987: "One shrinks from so much historical greatness. In large part, the American newspapers are already giving up on England militarily. We would like to think so too. But today we want to be happy. The evening passes into the deep, happy night. One can no longer sleep. Great, glorious Germany! ... I am almost giddy. How much we have achieved. ... What a blessed hour. One wants to seize it and never let it go."

Such ecstasy, however, proved short-lived. Even at the moment of his greatest triumph, Hitler was deciding to make war on his Soviet ally the following year. The world, stunned and in awe, held its breath. The historic battle of Britain was about to commence.

The writer is a professor of history at Rice University. He contributed this comment to the International Herald Tribune.

Talk of Mismanagement in the Currency Fix-It Shop

By Hobart Rowen

WASHINGTON — No one likes to admit failure. But the hard reality is that the United States and its major allies were frustrated last year in their efforts to manipulate exchange rates. Washington, Bonn and Tokyo were anxious to prevent the dollar from rising, but did not succeed.

"There were signs that the impact of intervention was beginning to wear off and that — on most occasions — more and more of it was required to achieve the same result," said the recent annual report of the Bank for International Settlements.

The BIS, along with some others, calls for a resumption of the decline of the dollar against the yen and the Deutsche mark to avert the probability that rich-country trade surpluses, especially Japan's, will swell again.

Many reasons can be assigned for the declining potency of the currency-management effort that was launched at the Plaza Hotel by former Treasury Secretary James A. Baker 3d in September 1985.

Perhaps most important, every major country has become more concerned with domestic than with international problems. Therefore "no country wanted a really weak exchange rate," the BIS said. Moreover, speculators in the private exchange markets perceived that authorities within each nation were not always on the same wavelength on the "right" dollar-yen or dollar-mark level.

Assessing the limited success of exchange-rate management since the Louvre Accord of early 1987, the BIS suggested that "it may be time to take a fresh look at official exchange-rate strategies and international policy coordination, and to consider ways in which their coherence and effectiveness might be improved."

Another advocate of trying to regenerate some of the spirit and power of the Group of Five and Group of Seven process is C. Fred Bergsten, director of the Institute for International Finance. In the current issue of Foreign Affairs, Mr. Bergsten suggests that the topic is important enough to be placed on the agenda for the Group of Seven meeting in Houston on July 9-11.

The G-7 managers will stumble along much as they have for the past couple of years.

There is another, and more skeptical view: Mieczyslaw Karczmar, an adviser to the Deutsche Bank, warned immediately after the Plaza Accord nearly five years ago that the dollar-depreciation effort would fail to cut the U.S. trade deficit.

Now Mr. Karczmar says, in International Economy magazine, that despite a declining trend in the post-Plaza Accord years, the U.S. trade and current-account deficits, though less than their peaks, are still in the $100 billion annual ballpark, and "are likely to start rising again." His argument is that the Plaza Accord may have helped weaken the dollar, but failed to dent Japan's ability to penetrate the U.S. market.

Mr. Bergsten is quick to suggest that without the dollar's 40 percent drop between 1985 and 1988, America's global trade and current-account deficits might have doubled to $300 billion from the 1987 peak of $152 billion. What's needed now, he contends, is not only a further depreciation of the dollar, but a reinvigorated G-7 process to control fluctuations of rates in even tighter bands.

Somewhere in the middle of the debate are the current key managers of the Group of Seven, including Mr. Brady and the chairman of the Federal Reserve Board, Alan Greenspan; the president of the Bundesbank, Karl Otto Pöhl; and the governor of France's central bank, Jacques de Larosière. This power core wants to keep the process alive, but it shuns major departures.

Mr. Karczmar sees the disappointing results of the past five years as demonstrating a flaw in traditional theories of foreign trade, which are based on the assumption that the international markets respond to price changes that are influenced by exchange rates.

Japan demonstrated that a high yen could not keep it from being fully competitive. And trade in capital and high-tech goods depends more on availability and quality than it does on price.

The U.S. trade deficit with Japan persists, he says, whether the dollar is strong or weak. This makes it clear that the driving force is made up of "many other factors, such as low costs and high quality of Japanese products, trade barriers in Japan, anti-competitive business practices there, relatively low level of domestic consumption and many others."

In the end, the G-7 managers will stumble along much as they have for the past couple of years, making little progress on exchange-rate management. It will take some sort of global crisis to force political leaders to seek new ways of coping with the huge trade imbalances between North America, Asia and Europe.

The Washington Post.

100, 75 AND 50 YEARS AGO

1890: Seine Fever Scare

PARIS — Until further notice, parts of the Ninth and Tenth Arrondissements of Paris will be supplied with Seine water. Already the cry has gone forth that cases of typhoid fever may now be expected to quadruple.

1915: Kipling's Caveats

LONDON — Mr. Rudyard Kipling has drawn a vivid picture of what Britain's fate would be if she failed to win the war. Dividing the world into two sections — human beings and Germans — he declared that whatever has been dealt out to Belgium, France and Poland will be England's fate tenfold if we fail to subdue the Germans. Be perfectly sure, he said, that if Germany is victorious every refinement of outrage within the compass of the German imagination will be inflicted on us in every aspect of our lives. She is bound to trust and recognize nothing except immediate superior force, backed by illimitable cruelty.

1940: Pétain Disavowed

LONDON — The British government withdrew tonight [June 23] recognition from the French government of Premier Marshal Henri Pétain and recognized a French National Committee set up in London to carry on the war. An announcement said the British government found "the terms of the armistice just signed, in contravention of agreements solemnly made between the Allied governments, reduced the Bordeaux government to a state of complete subjection to the enemy and deprived it of all liberty and of all right to represent free French citizens." The British government would instead recognize the French National Committee led by General Charles de Gaulle. Under Secretary of War in the Cabinet of former Premier Paul Reynaud. In a radio broadcast tonight from London, De Gaulle disavowed the Pétain government and the armistice which it had accepted.

— From the New York edition of the New York Herald Tribune.

In Bonn, Union Is Advanced

Bundesrat Backs Economic Treaty

Reuters

BONN — The pace of German unification quickened Friday when the upper house of the West German parliament, the Bundesrat, ratified a treaty merging the economies of the two states.

The Bundesrat also approved a resolution recognizing Poland's postwar borders with Germany as final. The action followed votes Thursday in Bonn's lower house and in the East German parliament endorsing the frontiers.

With the Bundesrat's ratification of the economic agreement, the final legislative obstacle to economic union was removed. The treaty, which introduces the Deutsche mark and free market economics into East Germany, will now take effect July 1.

Finance Minister Theo Waigel said the government was already negotiating with East Berlin on full political unification and hoped it would take place this year.

Wighard Haerdtl, Interior Ministry spokesman, said formal negotiations could be completed by September.

Chancellor Helmut Kohl of West Germany said this week that he would like all-German elections to take place on Dec. 9, with East Germany formally becoming part of the Federal Republic at midnight on that date.

The opposition Social Democrats theoretically could have blocked the economic treaty in the Bundesrat, in which they have a majority.

But, despite the Social Democrats' reservations, 9 of the 11 states represented in the chamber voted for it. Only Saarland, whose prime minister, Oskar Lafontaine, is the Social Democrats' candidate for chancellor, and Lower Saxony opposed it.

Representatives of these two states said they were not opposed to unification, but believed the economic union treaty did not contain adequate provisions to prevent unnecessary bankruptcies and unemployment when East Germany's inefficient state-run companies start facing competition.

Poland Hails Border Votes

WARSAW — Poland welcomed the resolutions by both German parliaments guaranteeing its post-World War II frontiers with Germany and said it would no longer press the two states to initial a border treaty before unifying, Reuters reported from Warsaw.

"The government of the Republic of Poland accepts the resolutions of both German parliaments with satisfaction, recognizing them as a major step forward," Malgorzata Niezabitowska, a government spokesman, said at news conference.

She said Poland would be satisfied with a border treaty, which would be signed once the Germanys were reunified, and that Warsaw would not press its earlier demand that Bonn and Berlin initial it separately.

Kohl and Mitterrand Jointly Urge Speedy Western Aid Plan for Soviets

By Edward Cody
Washington Post Service

BONN — The leaders of France and West Germany, suggesting that time is short, appealed jointly Friday for speedy organization of a large-scale Western aid program to help President Mikhail S. Gorbachev rescue the Soviet economy.

The call from President François Mitterrand of France and Chancellor Helmut Kohl of West Germany, at a meeting beside the Rhine, prepared the way for the two leaders' efforts to win Europe-wide backing for a Soviet aid package at a European Community conference Monday and Tuesday in Dublin.

Beyond their European partners, Mr. Kohl and Mr. Mitterrand aimed their suggestion at the United States and Japan, whose political and financial cooperation would be vital to any such Western effort to bolster Mr. Gorbachev's policies in Moscow.

The coordinated French-German effort steered particular attention toward Washington, where the Bush administration is now faced with a highly visible proposal from two major U.S. allies to join in the campaign for aid to Mr. Gorbachev.

Mr. Kohl said he had urged in letters to Mr. Bush and other leaders of the seven major industrial democracies that they take up the issue at their conference next month in Houston.

Mr. Mitterrand said in an interview Tuesday that the West should think about organizing a broad technological and economic aid effort for the Soviet Union in recognition of Mr. Gorbachev's attempt to revolutionize the country.

Neither Mr. Kohl nor Mr. Mitterrand appeared convinced by repeated arguments in Washington and London that heavy economic assistance to the Soviet Union would only be money down the drain until Mr. Gorbachev's policy of *perestroika*, or restructuring, gets the necessary economic policy changes into place. The French leader, reversing the arguments, said such changes would be possible only with aid from the West.

"I do not think we have a lot of time," Mr. Kohl added at a news conference with Mr. Mitterrand in the riverside town of Assmannshausen. "Perestroika is something that helps us all."

Mr. Kohl and his foreign minister, Hans-Dietrich Genscher, have appeared particularly eager in recent weeks to deal with Soviet economic and strategic concerns. Moscow's reluctance to see East Germany meld into the North Atlantic Treaty Organization has become a major hurdle as East and West Germany move swiftly toward reunification.

The government in Bonn announced Friday, for example, that aside from whatever its European and other allies do jointly, West Germany was offering guarantees for up to $3 billion in bank loans to the Soviet Union. In talks with the Soviet foreign minister, Eduard A. Shevardnadze, Mr. Genscher also has discussed West German financial support for Soviet troops to remain in what is now East Germany during a transition period and additional aid to help resettle those who return to the Soviet Union after reunification.

Mr. Mitterrand noted that the French-initiated European Bank for Reconstruction and Development would begin making loans to Eastern European countries, including the Soviet Union, only next year. The Soviet economy requires help before that, he added.

The Bush administration fought to limit Soviet loan rights at the bank, contending also in those negotiations that Mr. Gorbachev's policy changes have not yet brought the economy far enough forward to absorb large loans usefully. But French and other European nations successfully insisted on flexible credit conditions for Moscow as well as the other Eastern European governments that are the bank's main target.

E Germ diplmt & wf seek steady work as mchnst, nurse. Apt appc.

New York Times Service

WASHINGTON — A year ago, Joachim and Irmelin Mlensky, an East German diplomat and his wife, were anticipating a restful summer vacation at home.

This year, when the coming of summer means the effective reunification of Germany and the impending dissolution of the East German Embassy, it looks as if Mr. Mlensky will spend his vacation job-hunting.

From a position as second secretary in the consular section, one of modest rank but relatively high privilege under the former Communist regime, Mr. Mlensky will launch himself into a tough job market.

Mrs. Mlensky said her husband might try private business, or work as a machinist. She was trained as a nurse.

Equally as troubling as their job prospects is the probability that they will lose the three-room apartment that has been waiting for them in East Berlin since 1985, when Mr. Mlensky was posted to Washington.

Similar uncertainty surrounds the careers of hundreds of men and women in the diplomatic corps of the disappearing German Democratic Republic.

"Everyone is scared," Mrs. Mlensky said.

"No one knows for sure what will happen next. It is a little bit difficult for us. We have a family. We have an 8-year-old son."

By December, most of the East German diplomats in residence here will be gone from this post, which seems itself to be dissolving around them.

The ambassador, Gerhard Herder, is leaving in a matter of days.

When the new East German prime minister, Lothar de Maizière, visited the embassy early this month, he ordered the staff to rip down the flag, removing the symbol of the state to which all of them had pledged their loyalty.

Meanwhile, the work day goes on at the embassy.

Those who remain have begun to cooperate with their West German counterparts, a situation with its own tensions.

Beneath the surface lies a feeling on the West German side that the East German officials are not fit to join the diplomatic corps of a united Germany.

West German diplomats contend that that East German envoys were often chosen for their "political training" — the sort that will not be much use in the new Germany. Mr. Mlensky has a decade of special training in Marxism-Leninism.

None of the East German diplomats' prospects for staying in the profession are considered very bright.

Those over 50 will be pensioned off, a West German diplomat said, and the 35-to-45-year-olds are considered too heavily indoctrinated. Some chance is held out for the youngest contingent, the East Germans under 35.

Another factor affecting West German attitudes to their prospective compatriots is the widespread perception that a "very high percentage" of East German diplomatic personnel have been engaged in espionage, according to West German Embassy sources.

As for the bona fide East German diplomats, "Until a few months ago, they were promoting socialism," a West German official said.

"They were saying quite different things than they do now. They were officials of a Communist state before. They fully approved the system."

They also profited from it. So when they return home, they will be seen as people whose cooperation with the old regime was so extensive that it merited reward, said Dieter Dettke, director of the Friedrich Ebert Foundation, an organization with ties to the Social Democratic Party in West Germany.

MANDELA: *Telling UN of Plot*

(Continued from page 1)

tionalizing large areas of white-owned business as well as from those demanding an unqualified transfer of power to the black majority.

At a subsequent press conference, Mr. Mandela carefully avoided making any reference to the ANC's nationalization pledge, saying he had "no predetermined formula" for the country's economy under majority rule. "We are not concerned with any labels," he said.

After receiving a hero's welcome and listening to a string of adulatory speeches, Mr. Mandela, in what was regarded as the most important address of his U.S. tour, told the UN Special Committee Against Apartheid that "victory in the struggle for a united, democratic and nonracial South Africa is within our grasp."

He said the talks on political change he opened with the ruling National Party in Cape Town last month had got off to a good start. And he praised President Frederik W. de Klerk and his government as "people of integrity."

"We are of the view that they will abide by decisions that are arrived at in the course of our discussions and negotiations," he said.

But he also warned that "the apartheid system remains in place" and said the encouraging start to the Cape Town talks "should not lead us to conclude that further progress is assured or that we will not have to confront major obstacles in the future."

In an earlier interview with The New York Times, Mr. Mandela said the ANC was not wedded to socialism and supported nationalization of South African industries only to the extent necessary to redress gross racial disparities in the economy.

In that interview, Mr. Mandela sketched his vision of the South African economy under a nonracial regime. The overriding consideration, he said, must be to eliminate the inequities that give ownership of most wealth to "a tiny white minority" and leave the rest of the population, including the black majority, impoverished.

The ANC has no economic policy as such, he said, but the organization has "mentioned state participation in certain, specific areas of the economy, like mining, the financial institutions and monopoly industries."

As for the rest, he said, "it will proceed on the basis of free enterprise."

"And we don't propose to interfere with that."

Mr. Mandela appeared especially eager to dispel the notion that the ANC favored wholesale nationalization and communism on the discredited Soviet or East European model.

On the country's future political shape, Mr. Mandela told the United Nations that he wanted a South Africa where all could vote but also where the rights of all would be "guaranteed by a bill of rights."

As expected, he also urged the governments to maintain economic sanctions against South Africa until the process of political transformation was complete.

In particular, he appealed to the heads of the European Community countries to resist pressure from Britain to lift the limited sanctions they have imposed on South Africa. The EC leaders will meet in Dublin later this month to decide whether recent developments in South Africa justify some relaxation of the sanctions.

"Nothing that has happened in South Africa calls for a revision of the position that this organization has taken in its struggle against apartheid," Mr. Mandela said.

"We therefore hope that all member states will continue to act in concert so as not to create any situation in which those who are opposed to change in our country find encouragement to resist change."

Mr. Mandela arrived at United Nations headquarters preceded by his wife, Winnie, and amid the same intense security precautions that are normally reserved only for Presidents George Bush and Mikhail S. Gorbachev.

Mr. Mandela will complete his U.S. tour July 1.

■ Plea to Business Leaders

Mr. Mandela, displaying the same deft touch he brought to stadiums and street corners, charmed and reassured a group of New York's business leaders earlier Friday at the World Trade Center, the chairman of the Port Authority of New York and New Jersey told The Associated Press.

Mr. Mandela met with corporate executives to assuage their doubts about investments in his homeland.

"He was bringing hope to these people about the future, and they responded extremely well," said the Port Authority chairman, Richard Leone.

Ray Stubblebine/Reuters

Mr. Mandela showing off a Yankee jacket and hat, which were given to him by the mayor of New York City, David N. Dinkins.

COMRADE: *Arafat Supported*

(Continued from page 1)

Mandela said. "What are you rewarding him for?"

The interview Thursday followed a service at a Harlem church at which Mr. Mandela told 150 religious leaders that American churches have been "in the front line of the struggle" against apartheid.

Later, he addressed a street rally. The crowd cheered as his wife, Winnie Mandela, described Harlem as "the Soweto of America" and added, "We want you to be there if we go back to the bush and fight the white man."

Her husband recited an honor roll of American civil-rights leaders, but reaction to him was more restrained as he breezed through his prepared remarks.

During the television interview, Mr. Mandela diplomatically ducked when an audience member asked why he did not denounce racism in the United States. He said it "would not be proper for me to delve into the controversial issues which are tearing the society of this country apart."

Mr. Mandela was less reticent when asked about his support for Mr. Arafat, Colonel Gadhafi and Mr. Castro. "Our attitudes toward any country is determined by the attitude of that country toward our struggle," he said.

Henry Siegman, executive director of the American Jewish Congress, told Mr. Mandela that his response displayed "a certain degree of amorality" by ignoring human-rights violations in other nations. But Mr. Mandela did not back off.

"Firstly, we are a liberation movement, which is fully involved in a struggle to emancipate our people from one of the worst racial tyrannies the world has seen," he said. "We have no time to be looking into the internal affairs of other countries."

Mr. Mandela said he did not doubt Israel's right to exist "within secure borders" but said the Jewish state must return all of "the territories they conquered from the Arab world."

He also said that Jews were active in the ANC, that a Jew had trained him as a lawyer and that Jewish attorneys had defended accused blacks in South Africa.

Hungarian Leader in Paris

Agence France-Presse

PARIS — Prime Minister Jozsef Antall of Hungary arrived Friday in Paris for two days of talks with French government officials and business executives.

GERMANY: *A Rebuff to Moscow*

(Continued from page 1)

would reduce their military forces in the country during a three-year period following unification — first by 50 percent, then "bring them down to a level of token contingents, or completely withdraw them from Germany."

There are about 380,000 Soviet troops in East Germany, while about 250,000 U.S. troops are stationed in West Germany along with British and French units.

Previously, the Soviets had said their forces would remain in what is now East Germany for several years, but had left unclear the exact plans for pulling them out.

Mr. Shevardnadze, speaking earlier at a ceremony for the removal of the Western Allies' Checkpoint Charlie, a crossing point between East and West Berlin, said he wanted the Big Four Powers' troops out of "greater Berlin" within six months after unification.

The proposal, as translated into English by the Soviets and distributed to the press, apparently would also include the Kremlin's soldiers stationed just outside the city proper.

At a press conference afterward, Mr. Shevardnadze said, "We would like to build a new Europe without military confrontation."

Mr. Shevardnadze proposed a 50 percent reduction in foreign forces over five years from East and West Germany, and then over an unspecified period removing all of them except "token contingents."

Mr. Baker replied: "Why not let the sovereign, unified Germany make that decision?"

He said the withdrawal of foreign forces should not be imposed on the Germans in the final settlement to be worked out during the Two-plus-Four proceedings.

The question of a united Germany's military posture is the biggest obstacle to that agreement.

Mr. Shevardnadze's plan would have the effect of delaying full sovereignty for a united Germany since during the five-year transition period, it could not declare itself a member of NATO.

A senior West German official told reporters his government was opposed to a transition period but that there might be room for what he called a "winding-down process."

A senior British official, meantime, said that "everyone rejected the idea of a transition period."

Despite the disagreement, Mr. Shevardnadze said he expected the Two-plus-Four talks to reach a consensus on German security arrangements by the end of this year.

The West German government has proposed joint elections for the two Germanys in December.

On another difficult issue, the ministers agreed to meet in Paris on July 17 to hear Poland's concerns that the new security arrangements guarantee its western border with Germany. Germany was forced to cede territory to Poland at the end of World War II.

Mr. Shevardnadze said his proposal regarding troops in Germany was an outline on which the Kremlin was prepared to compromise. It also contained the following provisions:

1. The united Germany must not produce, possess, receive or deploy nuclear, chemical or biological weapons.

2. The Four Power occupation of Berlin that has existed since World War II would end within six months of the formation of a single German government.

3. The final settlement being drafted by the six nations should propose measures to limit the size of Germany's armed forces.

4. NATO and the Warsaw Pact would agree on a new code of conduct toward each other in which the two alliances no longer would be "potential military adversaries."

PLOT: *Mandela a Target*

(Continued from page 1)

Weekblad, Mr. Smith said he had been contacted by a member of the paramilitary Afrikaner Resistance Movement last February.

Members and supporters of the far-right group spoke of plans to short-circuit power stations, set fires at supermarkets and blow up a soccer stadium at the black township of Soweto. Mr. Smith said he was told that the resulting chaos would culminate in a rightist coup.

Mr. Smith's affidavit said that at one meeting, the members of the Afrikaner Resistance Movement "made a suggestion that I eliminate Nelson Mandela on behalf" of their group.

The rightist group reportedly proposed that Mr. Mandela be shot at a rally from a helicopter.

Mr. Smith said that after he told the group that their plot was too dangerous, he was informed that a "mentally disturbed" man would do the killing and that an alternate plan was prepared to murder Mr. Mandela at the Johannesburg airport.

Earthquake Was Centered Outside More Active Area

Los Angeles Times Service

LOS ANGELES — The earthquake in northwestern Iran caught experts by surprise because it was near, but not in, a belt of intense seismic activity.

"We haven't had such a strong earthquake in that region for at least the past 500 years," said Mdansour Niazi, an Iranian geophysicist who is an earthquake consultant in Berkeley, California.

The region lies to the north of a complex seismic zone called the Alpine Belt that ranks as one of the world's deadliest earthquake regions. At least 100,000 people have died in major quakes along the belt in this century.

Why the region north of the zone produced one of Iran's largest earthquakes of this century is a mystery.

"Previous activity in that area does not cause us to expect such a large earthquake," Mr. Niazi said. "So it is catching us by surprise."

Seismologists measured the quake at 7.3 to 7.7 on the open-ended Richter scale.

Iran Imposes Aid Conditions

Compiled by Our Staff From Dispatches

GENEVA — Humanitarian organizations and foreign governments have begun airlifting supplies to Iran to aid earthquake victims, but Iranian officials imposed several conditions on the aid they would accept.

Iran said Friday that it would accept an offer of aid from the United States, though one radio report said it had refused aid from Israel.

The League of Red Cross and Red Crescent Societies said in Geneva that Iran did not want doctors, medical technicians, search dogs or blood plasma. It said Iran had plenty of blood on hand because Iranians had become used to donating blood during the Gulf War.

Iran was not allowing any foreigners, including doctors, into the earthquake zone, and those delivering the aid would only be granted a visa for 24 hours, the league said. International aid flights are being allowed to go only to Tehran.

League officials said Iran had 10,000 trained rescue workers and that the Iranian first aid organization was "extraordinarily good" thanks to its experience in the war and in previous earthquakes.

The Iranian Red Crescent had asked specifically for medicines, antibiotics, tents, blankets, and dried foods "conforming to Islamic rules," the league said.

In New York, the UN disaster relief coordinator had sent an emergency team, and an airlift of emergency supplies from UN warehouses was being undertaken, officials said.

The UN organization was sending a senior officer and relief coordination officer to the stricken areas, and a special task force was established at the Iranian president's office to coordinate relief, the UN said.

In Washington, the State Department said that Iran had indicated its willingness to accept earthquake relief from the American Red Cross or other U.S. humanitarian organizations.

U.S. officials brushed aside suggestions that humanitarian aid could lead to an improvement in relations and perhaps to the release of American hostages held by pro-Iranian groups in Lebanon.

Meanwhile, experts predicted that the quake could cause severe shortages of foodstuffs because of the extensive damage to one of the country's major agricultural regions.

The two worst-hit provinces, Gilan on the Caspian Sea coast and Zanjan to the south, are important fruit, rice, and wheat-growing areas.

Helicopter pilots over Gilan reported total devastation. With thousands of laborers among the casualties, irrigation systems damaged and produce spoiled in some districts, the omens for the Iranian economy looked bad.

(AP, UPI, AFP)

Toll Among The Worst In History

United Press International

NEW YORK — The official death toll for Thursday's earthquake in Iran makes it one of the most devastating in history. Following is a list of the worst previous recorded quakes, in terms of estimated fatalities:

1. Jan. 24, 1556, Shensi, China, 830,000
2. Oct. 11, 1737, Calcutta, India, 300,000
3. May 20, 1526, Antioch, Syria, 250,000
4. July 28, 1976, Tang-shan, China, 242,000
5. May 22, 1927, Nan-shan, China, 200,000
6. Sept. 1, 1923, Tokyo, Japan, 140,000 (including quake and subsequent fire and tidal wave)
7. Dec. 30, 1730, Hokkaido, Japan, 137,000
8. Dec. 16, 1920, Kansu, China, 100,000
9. Sept. 27, 1290, Chihli, China, 100,000
10. March 1201, Aegean Sea, 100,000
11. Dec. 28, 1908, Messina, Italy, 83,000
12. November 1667, Caucasia, Shemaka, 80,000
13. Dec. 26, 1932, Kansu, China, 70,000
13. May 31, 1970, Northern Peru 70,000
15. In 1368, Cilicia, Asia Minor, 60,000
Jan. 11, 1693, Catania, Italy, 60,000
Nov. 1, 1755, Lisbon, Portugal, 60,000
18. Feb. 5-March 28, 1783, Southern Italy (six quakes) 50,000
19. In 856, Corinth, Greece, 45,000
20. Feb. 4, 1797, Quito, Ecuador, 41,000
21. June 7, 1755, Northern Persia (Iran), 40,000
Aug. 13-15, 1868, Peru and Ecuador, 40,000
23. Dec. 5, 1456, Naples, Italy, estimated 30,000-40,000
24. Feb. 4, 1976, Guatemala, 38,000
25. Dec. 26, 1939, Erzincan, Turkey. 37,000
26. Oct. 30, 1759, Baalbek, Lebanon, 30,000
May 31, 1935, Quetta, India, 30,000
28. Feb. 4, 1783, Calabria, Italy, 30,000
29. May 20, 1293, Kamakura, Japan, 30,000
Jan. 26, 1531, Lisbon, Portugal, 30,000
Dec. 28, 1828, Echigo, Japan, 30,000
Jan. 24, 1939, Chillan, Chile, 30,000
33. Jan. 13, 1915, Averzano, Italy, 29,980
34. June 15, 1896, Japan, sea wave, 27,120
35. Sept. 17, 1978, Tabas, eastern Iran, 25,000
In 1057, Chihli, China, 25,000
37. Dec. 15, 1988, Armenia, Soviet Union, at least 23,000
38. April 10, 1972, Southern Iran, 5,057
39. Dec. 13, 1957, Western Iran, 2,000
40. August 1912, Gallipoli (Dardanelles), 1,950
41. April 19, 1903, Malazgirt, Eastern Turkey, 1,700

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ART

Japan's Fledgling Arts Prize

Award Is Falling Short Of Its Ambitious Goals

By Michael Gibson
International Herald Tribune

PARIS — The new, $1 million Praemium Imperiale, "celebrating lifetime achievement in the arts," is moving into its second year and, still somewhat laboriously, into second gear.

Presented as the brainchild of a member of the Japanese imperial family, and an emanation of the Japan Art Association, which is chaired by Nobutaka Shikanai, head of Fujisankei, the world's fourth largest communications group ($5 billion annual revenues), it enjoys the support of a panel of "international advisers."

They are Mayor Jacques Chirac of Paris, the former West German chancellor Helmut Schmidt, the former British prime minister Edward Heath, the former Italian prime minister Amintore Fanfani and the financier David Rockefeller. With all these assets, financial and otherwise, what could go wrong? As far as the prize's public image is concerned, some points still need ironing out.

The Praemium Imperiale (Imperial Prize or, in Japan, the World Culture Award) was at first rather rashly touted by Fujisankei's public relations people as the equivalent of the Nobel Prize for the arts. The comparison was perhaps a bit unfortunate as the Nobel, since its foundation nearly a century ago, has acquired a spiritual patina, an intangible international aura that reaches far beyond any merely monetary reward.

That is obviously something that cannot be conjured up overnight. Also the first year's prizes, awarded to Willem de Kooning and David Hockney (painting), Umberto Mastroianni (sculpture), I.M. Pei (architecture), Pierre Boulez (music) and Marcel Carné (cinema), left many people with the feeling that the choices were all too safe and that giving the award to artists who are already widely famous would have little effect on the way the international public perceives their work.

Much the same can be said for most of the recipients of this year's prize announced in London on June 21: Antoni Tàpies (painting), Arnaldo Pomidoro (sculpture), James Stirling (architecture), Leonard Bernstein (music) and Federico Fellini (film). Each gets $100,000.

As it is, the Imperial Prize has all the necessary financial means (Fujisankei puts up a large part of the cash for the prizes), and will probably develop a patina of its own in due course.

BUT it looks as though it still needs to emerge from a thick fog of intercultural misunderstanding and to bring the motivations for its choice into sharper focus — even, perhaps, in its own eyes.

One cause of misunderstanding is clearly the well-known, deep-rooted Japanese diffidence. As was recently observed by Sachi Parker, the daughter of Shirley MacLaine, who grew up in Japan: to foreign ears, the very qualities that make the Japanese *Aimai*, the language of diplomacy and tact, also cause its "ambiguity and hesitation to sound like the half-truths of a used car dealer or a politician."

In the present case, one may suppose that this diffidence and self-effacement leaves foreigners, who are instinctively suspicious of anonymity and who value individual initiative, with a measure of uncertainty as to who exactly came up with the idea of the prize in the first place and for what motives. It may explain why statements of purpose are made in the blandest terms.

The Japan Art Association is an eminently respectable organization, originally established in 1887 to encourage and preserve Japanese art, and which has always had members of the imperial household as its governors. Prince Nobuhito Takamatsu (brother of Emperor Hirohito), governor from 1929 to his death in 1987, is officially credited with the idea of creating the prize. Reading between the lines, one begins to wonder whether it may not actually have been the brainchild of Nobutaka Shikanai who, in addition to running the Fujisankei group, happens to be chairman of the Japan Art Association and has long shown a passionate interest in Western art.

He is responsible, among other things, for the existence of the Fuji Art gallery that deals in Western art (and is independently run by Susumu Yamamoto), and above all of the Hakone Open-Air Museum. The conception of this museum devoted mainly to sculpture is interesting because it reflects both the qualities and flaws of Shikanai's approach to Western art. It is beautifully located in a spectacular mountainous area an hour or so outside Tokyo and has a large collection of Western and Japanese sculptures, including some absolutely first-rate pieces and some not-so-good.

One then suspects that Shikanai's chairmanship of the Japan Art Association may ultimately have fused with his own long-standing love affair with Western art, and led to the straightforward idea: why not extend the association's purpose in order to reward outstanding artists outside Japan. To mark its new international scope, the prize would not be given to any Japanese artist during the first three years.

But Japanese diffidence (one speculates), could not allow him to reveal the initiative as his own: to the extent that the prize was to be an emanation of the Art Association, deference to hierarchy required the idea to be attributed to Prince Takamatsu who no doubt approved it and gave the indispensible go-ahead.

Hiroaki Shikanai, chairman of the executive committee of the prize itself, was in Paris this week.

The younger Shikanai's answers were all flawless *Aimai*, couched in good, if slightly hesitant, English. Not unexpectedly, they failed to reveal the contents of the black box.

"Thirty years ago," he said, "it might have been all right for us to help only Japanese artists, but now that we have wider contacts with other societies, we must also open ourselves to the outside world as far as culture is concerned."

The prize, he explained, is an expression of gratitude "we Japanese feel impelled to address to artists of other countries who have brought us much happiness."

There is certainly a commendable resolve, on the part of this venerable and highly official Japanese institution, to play an acknowledged role, not only in the realm of trade, but also in the cultural field.

AND one may sense the influence of the elder Shikanai's missionary zeal for Western art in the fact that one of the avowed reasons for creating the prize and awarding it to non-Japanese artists is the desire to increase the Japanese public's awareness of what is happening outside the country.

The prize holds promise of ultimately developing into what it was prematurely claimed to be. It is undoubtedly a generous initiative taken by an institution and by persons who had no real obligation to do anything of the kind, but it will need some time.

The Associated Press

Edward Schumacher/NYT

The laureates, from left: Federico Fellini, Leonard Bernstein and Antoni Tàpies. Each gets $100,000.

Masaccio's Age, Short but Great

By Susan Lumsden

FLORENCE — Where great artists flock so do the lesser, wrote Vasari about the impact of Masaccio's revolutionary frescoes in the Brancacci chapel. With the long-postponed unveiling this month of the restored frescoes, the "lesser" are gathered in the Palazzo Vecchio in an illuminating exhibition, until Sept. 16, entitled "The Age of Masaccio." Mainly, the lesser artists serve to show how prolific were the first decades of the 15th century in which Masaccio introduced perspective into painting, hence, the Renaissance.

"It was Florence's moment of grace," says Antonio Natali, the sculpture curator of the exhibition. It started in 1401 with the competition for the sculpturing of the doors of Paradise, restored and now returned to the Baptistry across from the Duomo. That was also the year in which Masaccio was born in San Giovanni Valdarno, south of Florence. He died in Rome in 1428, said to have been poisoned by a rival.

While Masaccio was working in the Brancacci Chapel, his 40 exhibited contemporaries were sculpting and painting works striking for their verve and color, if not for their depth of field. Sculpture was more advanced than painting, says Natali. This was confirmed with the discovery during restoration of the signature and year — 1403 — of Francesco di Valdambrino's voluminous statue of the Madonna and Child, borrowed from the Church of Sant'Andrea in Pisa.

Another surprise in this flocking of lesser masters is the painting of the Madonna del Parto (c. 1410), by Rosello di Jacopo Franchi, which anticipates Piero della Francesca's subject of the pregnant Virgin by 50 years. The refreshing non-monumentality of the exhibition is evident in the many predellas, or altar bases, which offered more experimental ground than the formal altarpiece above. So did the domestic linen chests painted with scenes of religious devotion.

Profile of a young man, by Maso Finiguerra (b. 1426).

Perhaps the greatest virtue of the exhibition lies in the many objects borrowed from out-of-the-way churches and museums in Tuscany. They show how widespread the artistic ferment was then and how different Masaccio was from his still-Gothic contemporaries. A bronze candelabra base by Maso di Bartolomeo, never before displayed, exemplifies the new influence of classical antiquity that soon replaced Gothic linearity.

The 109 works in this overture to the Renaissance of Masaccio are best seen before a visit to the Brancacci chapel in Santa Maria del Carmine Church across the Arno.

The current Florentine celebration of the early Renaissance is not complete without a third visit, to the Casa Buonarroti. Once the home of Michelangelo, it is now a museum featuring "Pittura di Luce" (Painting of Light), an exhibition of the generation of post-Masaccio painters such as Beato Angelico and Domenico Veneziano, who introduced light into the newly established perspective of the Renaissance.

("The Age of Masaccio," Palazzo Vecchio, Quartieri Monumentali; closed Friday.)

Susan Lumsden writes about the arts from Florence.

FOR SALE / SOLD

Market Slowdown?: Only 55 of 110 modern and contemporary paintings up for auction in Tokyo found buyers, a sign that the frenetic international art market is slowing down. The French auction, the ninth organized in Tokyo by the French auctioneer Jacques Tajan, included works ranging from Matisse to Andy Warhol. The works brought 1.3 billion yen ($8.4 million), while the estimated value of the unsold paintings is 3.6 billion yen.

"Apostrophes" Sale: Memorabilia from the cult French television book show "Apostrophes" brought $100,000 at an auction to crown final curtain call for the prime-time program Friday night. Sold were armchairs, fake bookcases and a coffee table on the set of Bernard Pivot's 15-year-old show.

Agra Diamond Sold: The Agra diamond, once worn in a 16th-century Mogul emperor's turban, became the most expensive pink diamond in the world when it was sold at auction in London for a record £4.07 million ($6.95 million). The 32.24 carat Agra was sold to Siba Rare Jewels of Hong Kong after fierce bidding at Christie's. The previous record price for a pink diamond was £3.6 million.

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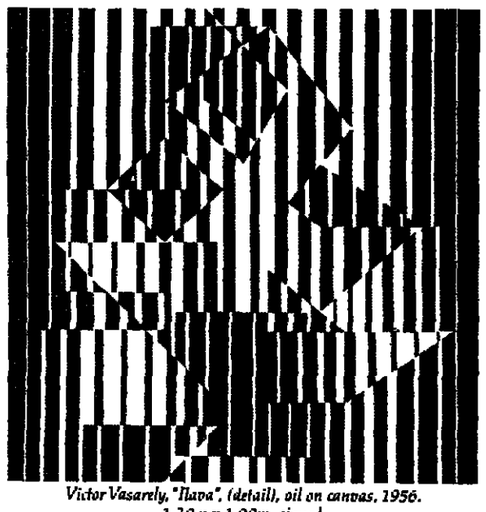
Victor Vasarely, "Ilava", (detail), oil on canvas, 1956. 1.39m x 1.98m, signed.

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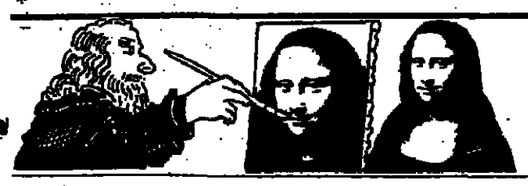

Nabis, and a Serious Spoof

International Herald Tribune

PARIS — Much has yet to be discovered about the emergence of modern art in the last decade of the 19th century. The Galerie Huguette Berès, at 25 Quai Voltaire, is making the point through July 12 in one of the most innovative exhibitions anywhere this year, "Au Temps des Nabis," something like "The Nabi Days."

At the heart of the show of 133 paintings and drawings, all virtually unknown but to a handful of art professionals, is a movement that started as a lark — a light-hearted gathering of cronies fresh from high school who were studying art at the Académie Julian. For them the shock of discovery came in October 1888, when their elder, Paul Sérusier, aged 25, came back from Pont-Aven in Brittany. He had seen Paul Gauguin and, following his instructions to the letter, had executed a small landscape in a place called Le Bois d'Amour. The purely abstract juxtaposition of colored areas illustrated the new art theory devised by Emile Bernard and Gauguin. It stunned the young students.

SOUREN MELIKIAN

So enthralled were Sérusier and Maurice Denis, and their friends, Pierre Bonnard, Paul Ranson, and including an art critic, Auguste Cazalis, that they called it "Le Talisman." Those were the days of the Eastern fascination. Sérusier begged Cazalis, credited by them with some knowledge of Hebrew, to whip up for them a group denomination that would conjure up the notion of Old Testament prophets. Cazalis put forward the name "Nabis," saying, the story goes, this was Hebrew for "prophets." They loved it, adopted the name among themselves as a badge of recognition — although, Hugnette Berès and her daughter Anisabelle note, they never used it for their group show — and passed it on to future art historians.

Here begins one of the neatest spoofs in modern Western art, gone undetected to this day. The story of "the Hebrew word *nabi*" trotted out by every writer on the subject, including the Berès catalogue, does not hold water. Avigdor Arika, a linguist, artist and art historian, said on the telephone that the Hebrew form is "navi." "Nabi," with a "b," is the Arabic word, used in the Koran. A spelling confusion? One might think so if it were not that the word, used as a kind of collective heraldic device by some such as Paul Ranson, appears on the back of their pictures. In Arabic script. Turning over two of these in the Berès show, I read the word "nabi" written in a hesitant hand after some model obviously requested by the artist. He would surely have known that the lettering was not Hebrew. The quid pro quo must have been deliberate. It is well in tune with their youthful love for caricature and, more broadly, of fun, satire and puns, which often anticipates the Dadaist approach.

Pierre Bonnard, by Vuillard.

There is more than a whiff of it in the exhibition, starting with Bonnard's work. A preliminary sketch for a cabinet design of Japanese inspiration done in 1891 incorporates irresistible doggies. The enchanting watercolor portrait of Madame Claude Terrasse, swiftly done in the cartoonist's quick stroke, is associated with a hilarious cat with very human eyes. More subtly, the cartoon strain veers to the poetically surreal in "Jeune Mère et enfant," a study in pencil and wash for a lithograph. The "enfant" is reduced to a rounded infant's head emerging from a white bib while the mother appears in the form of a huge hand in the foreground and a triangular patch of face with one eye and a nose peering down from the upper left corner.

Huguette Berès, one of the greatest connoisseurs of the period, believes that Patricia Boyer, in "The Nabis and the Parisian Avant-Garde," overstates the cartoon strain and the impact of Nabi interest in the theater. This may be so. But it quickly gave way to a simplification of form and a search for expressiveness, devoid of personal characterization, that would not have been possible without its legacy. "La Sortie de l'Ecole," a small masterpiece of 1895, not seen since the Paris Bonnard retrospective of 1967, is a typical case. The postures of the four little girls about to cross a street — heads bent down, bodies pressed close together as they hold each other's hands — and the disproportion of their tiny persons perched on legs like sticks, which almost disappear under their outsized hoods, signal a major break in the handling of the human figure in Western art. Far from being sarcastic, the cartoon strain went together with infinite tenderness. A masterpiece from Bonnard's early years, "Grand-mère, et enfant," even has a dreamy quality. Faces emerge from a blur of colors. The emphasis is on posture and much of the detail is left out. A sense of brevity, seldom mentioned in connection with the group although it was one of its distinctive features, is one more legacy of their interest in caricature.

It comes out strikingly in a small group of paintings by Denis, whose stature is revealed here as never before. This is entirely due to the selection of works either forgotten or shown for the first time ever. "Le Bateau-Lavoir à Port Marly," painted in 1890, which has surfaced only twice in the last two decades, is a landmark on the road to the art of our time with its rhythmic use of color applied in quick, flat dabs. More extraordinary still is the hitherto unrecorded "Les Fées," painted around 1891. Four black-robed silhouettes, their faces no more than colored shadows, watch a newborn babe in the grass as three Breton women bend over it. Undulating masses of color without any contour to define detail serve as a landscape. Their hues match those of the human figures in an astonishing counterpoint.

Another sensational Maurice Denis discovery is the likewise unrecorded "Fête-Dieu à Loctudy" executed around 1894 in a more elaborate manner that still leaves out all detail in the faces, or the flat colored areas of the landscape.

The other painter who comes out a greater artist than hitherto surmised is Ker-Xavier Roussel, again thanks to a small group of previously unknown work. "Femme et enfant en promenade" is an astonishing elongated landscape remarkable for its subtle handling of color and its unusual perspective. "L'ombrelle rouge," probably one of Roussel's three or four masterpieces, was known but was last caught sight of in the 1960s. Here, set in perspective, it leaps off the wall.

"L'ombrelle rouge," by Ker-Xavier Roussel, in the show "Au Temps des Nabis."

Indeed, if the hallmark of a creative exhibition is to give a new focus to a work of art or a group of works, Huguette and Anisabelle Berès win hands down. They have not made Edouard Vuillard more famous than he already was, but the visitor leaves the show with a different image of him, far more complex. The portrait of Bonnard shows him to have been directly influenced by Japanese printmaking, most specifically Sharaku's portraits. One of his greatest works, his mother's portrait, last exhibited in 1956, is here too. "La danse," with an unusual composition, done for a lithograph of 1899, conveys an entirely new sense of space. This is a complete discovery. So is, more surprisingly, the highly important "Madame Vuillard et ses ouvrières," a study in expressive movement matched by the suggestive use of color — it is all in sepia browns and whites — a forerunner of later German Expressionism.

Topping it all, the major composition on the theme of seamstresses painted as a project for a screen is also shown here for the first time. It is one of the earliest large-scale paintings in Western art, in which figures are handled not as individual subjects painted for the sake of personal characterization, but as pure types whose point lies in the expressiveness of movement.

Rounding off the string of surprises in a small format, the exhibition brings out two Nabi artists whose names will be unknown to the overwhelming majority, even of art professionals. The pictures of one, Marc Mouclier, had never been exhibited in this century. A close friend of Vuillard's since their student days at the Ecole des Beaux-Arts in 1888, he was held in very high esteem by both Vuillard and Bonnard, with whom he exhibited his work in 1892. He never made it to fame, never tried to sell, rarely signed and preferred small formats. To this day, his works, which Anisabelle Berès reckons might run to less than 300 painted pieces, are preserved essentially by his descendants. "This is an oeuvre that may get lost, simply vanish before it even comes to be known," she observes. The portrait of Vuillard, never illustrated before — not even in the Berès catalogue — betrays talent and individuality.

This is truer still of Francis Jourdain, who could have turned into a master had he not preferred to become a writer and concentrate on architectural and home design. In the exhibition, there is a true masterpiece, the view of a Paris street seen in a sweeping slanting perspective painted from high up. Undated, but datable to about 1905, its audacity takes it well beyond Fauvism. Another exhibition held at the Berès gallery in June 1963 had already shown Jourdain to have invented much of what makes Albert Marquet original, if not all. Unfortunately invention is not a passport to celebrity. It takes perseverance and hype, whether the artist does it himself or leaves it to someone else. Mouclier and Jourdain enjoyed neither, where painting is concerned.

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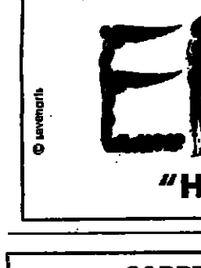
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NYSE

Friday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Ch'ge
		A								
37½	19	AAR	.48	2.3	13	1779	21⅛	20¾	21	+ ⅜
9¾	8	ACM n	1.01	11.7	–	88	8⅝	8⅝	8⅝	–
11⅛	9⅝	ACMIn	1.26	12.3	–	1056	10¼	10⅛	10¼	–
9¾	7¼	ACM M n	1.07	12.8	–	288	7⅞	7¾	7⅞	–
12⅞	10	ACMMM			–	253	10⅜	10¼	10⅜	– ⅛
11½	9⅝	ACM Sc	1.26	12.4	–	1605	10½	10	10⅛	+ ⅛
9⅝	8¼	ACMSp	1.01	12.2	–	709	8⅝	8¼	8¼	–
24⅝	14⅝	AL Lab	.16	.7	21	494	23	22⅝	23	+ ⅜
		B								
40	32⅜	BCE g	2.52	–	–	813	33½	33⅜	33⅜	– ⅛
		C								
41¼	27⅝	CBI In	.60	1.5	21	1774	40	37	39⅜	+ 1¼
221	170	CBS	4.40	2.2	16	704	204⅜	202⅝	202⅝	+ ⅝
3⅝	7⅜	CCX	–	–	–	3	2⅝	2⅝	2⅝	–
18½	10⅞	CDI s	–	–	11	166	11½	11	11½	+ ⅜
8	4⅞	CF Inco	1.00	20.0	–	65	5⅛	5	5	– ⅛
66⅝	45¼	CIGNA	3.04	6.2	8	682	51⅞	50¾	50⅞	– ⅜
		D								
18⅝	9⅝	DCNY	.40	3.8	–	33	10½	10½	10½	–
20¾	17½	DPL s	1.56	8.4	9	1645	18⅝	18⅝	18⅝	+ ⅛
23⅝	19⅜	DQE	1.36	6.1	10	211	22⅜	22¼	22¼	–
		E								
8⅛	4⅜	ECC	.20	4.7	186	26	4⅝	4¼	4¼	– ⅛
24⅞	16	Enron	.80	4.9	18	109	18⅝	18⅛	18⅛	– ⅛
25⅞	16⅞	EnglCp	.68	3.0	–	336	23⅛	22⅝	22⅝	– ⅛
51⅝	43⅛	Exxon	2.40	5.0	20	12229	49	47⅝	47⅝	– ⅛
		F								
12⅝	5¼	FAI In	.51e	6.6	8	6	7⅞	7⅝	7⅝	+ ⅛
49	31⅛	FMC	–	–	7	516	34⅝	33¼	33¼	– 1⅛
		G								
37⅞	28¾	GATX s	1.10	3.8	9	825	29⅛	28⅞	28⅞	– ⅛
142½	135½	GEICO	2.00	1.2	12	80	161⅜	161⅜	161⅜	+ 1
		H								
10⅝	6⅞	HQ Hlt	–	–	–	158	10⅝	10⅜	10⅝	+ ⅛
24	15⅛	HRE	1.80	10.9	12	20	16⅝	16½	16½	– ⅛
		I								
19¾	13½	IBP	.40	2.2	22	2264	19	18⅛	18⅛	– ⅜
23⅞	19	IPTimb	2.88	13.5	7	269	21⅞	21¼	21⅜	– ⅜
15⅝	11¼	IRT	1.16	9.8	18	52	11⅞	11¾	11⅞	–
		J-K								
7⅜	5½	JHM LP	1.51e	22.4	5	88	7	6¾	6¾	–
		L								
50⅜	22½	LA Gr s	–	–	8	3198	28¼	27⅞	28	+ ⅛
		M-N								
8⅛	3⅛	MACOM	–	–	–	1134	4⅝	4⅜	4⅜	– ⅛
35⅝	28¼	NBD s	1.40	4.4	9	798	33	31¾	31⅞	– 1½
		O-P								
14⅞	8⅝	OHM Cp	–	–	35	587	12⅞	12	12⅝	+ ⅛
		Q-R								
21¼	8	QMS	–	–	16	776	18½	18¼	18⅜	– ⅛
30⅛	18⅛	RayRay	.80	3.7	9	67	22	21⅞	21⅞	– ⅛
60⅝	48½	RevMH	1.80	3.1	7	1905	59	57⅛	58½	– ⅛
		S								
41	34⅛	SCEcp	2.64	6.9	10	2789	39	38⅝	38⅞	+ ⅛
		T								
28	15⅛	TCBY	.12	.6	16	2687	18⅝	18⅛	18½	– ⅛
20⅝	17	Thmln	.76	4.4	10	16	17⅜	17⅛	17⅛	–

(Continued on Page 13)

NYSE Highs-Lows

NEW HIGHS 57

AbbottLab s, Avemco, BlockHR, CPC Intl, Donaldsn, Gillette, Hormel s, JohnsJhn, LillyEli wt, MorKnud, PhilMor s, ProctGamb s, TelcomUSA, US Surg s, Zurnind, AllegLud, BauschLmb, BristMySq, CapCities, FstBrands n, GtNorNek, HouseFab, KeysCon s, Loctite, MortonIntl, PionFnSv, ProsCorp, TimeWrn pfD, UnivFds s, ACapMR, BenetonGp, BritSteel, Circus, GenElct, Hershey, Humana, LeggettPlat, Lubys, NorfkSou, PionFn pf, StlwstEnr, ToolsRoll, VistaRsc s, Anthem, Berlitz n, BrwngFer, Colg Palm, GenMills, HongKTel, HuntgIntl, LillyEli s, MBIA, PepsiCo, Primerica, TCW Conv, Unilever, WornLm s

NEW LOWS 31

Acme Clev, BandinGld, Fieldcrst, HarmanInt, KCPL 450pf, McDerm Dg, PNC Fncl, Sovran, AlliGlbEn n, CdnPac g, Goodyear, HomeownSB, vlLTVCp pfA, MidwyAir pf, PNC Fn pfD, Talleyind, AmacoPtt, CapHold adj, Guilford, Indonesia n, vlLTV pfC, NL Ind, Reece Cp, Talley pfB, AydinCp, viCntlintn, HarlanEnSv, JohnstnInd, Maritrans, NuvNMMO n, SouJerInd

AMEX Highs-Lows

NEW HIGHS 14

Alza un, AmTr-mo sc, ElanCp, LazareKap, Amisraet, AmTr-ea sc s, HearthndPar, RelianEl pfA, AmTr-att2 pr, BowneCo, IncstarCp, AmTr-bmy prp, CondorWneB, Ionics

NEW LOWS 18

Baldwin Sec, CurticeBrn s, FstConn SB, MagmaCor wt, Seppelnd, BaristerInt, vlEAL 272pf, GntYellow g, Oneita, Unimar, BarryRG, EsqRad El, Iflrmk pf, PetersJM, ColumLab n, FFP Part, MC Ship, PrecsnAero

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BUSINESS / FINANCE
** SATURDAY-SUNDAY, JUNE 23-24, 1990

ECONOMIC SCENE

Insurers May Have More To Fear Than Junk Bonds

By Eric N. Berg
New York Times Service

CHICAGO — Amid the growing fears about the effect of lower junk bond prices on the health of insurance companies, a new concern has emerged: that insurers could suffer big losses if interest rates rose or fell precipitously.

In recent weeks, at least two studies have said that sharply rising or falling rates pose a potential peril to insurers.

One of the studies, by Eastbridge Capital Inc., a New York investment-advisory firm, argues that the rate risk to insurers is even greater than that posed by defaults on junk bonds.

"Interest rate risk is something insurers are aware of and have a sense they need to control," said Paul DeRosa, Eastbridge's managing director.

"But a significant portion of the companies we studied did not have an explicit, well-documented system to deal with the problem."

Rate risk may pose the bigger threat to insurers, Mr. DeRosa thinks.

For insurers, risks from big swings in interest rates take a number of forms. Large life insurers sell what are called guaranteed investment contracts, which guarantee policyholders a certain return on their invested premiums.

The insurer that sells the contracts faces a problem if interest rates fall sharply. In that case, the insurer is unable to earn as much on its investments as it promises to pay on its contract.

Small and medium-sized life insurers, meanwhile, face the opposite sort of interest rate risk. Many continue to sell policies that allow customers to borrow against their policies at low fixed rates of interest. If rates rise sharply and policyholders take out big loans, the insurers are forced to make up for this cash outflow by borrowing at high rates.

While many large insurers have taken steps to shield themselves from sudden swings in rates, recent research suggests that many others remain vulnerable.

"It is not at all clear to me that credit risk is the biggest peril insurers face," Mr. DeRosa said. "Interest rate risk could be as large, if not a larger, problem than credit risk." Eastbridge Capital advises insurers on controlling credit risk.

THE EASTBRIDGE study was challenged by the industry. "It's extremely hard to believe, and I'd be very curious to see the evidence," said Henri Bersoux, a spokesman for the American Council of Life Insurers, a trade association for the industry.

Mr. Bersoux said that all of the largest life insurers — like Metropolitan Life Insurance Co., Prudential Insurance Co., Aetna Life & Casualty Co. Equitable Life — have been aware of interest rate risk for years and take steps to control it.

He said smaller life insurers, including the majority of those studied by Eastbridge, are typically not in businesses that expose them to rate swings.

Still, this is not the first time that the question of interest rate risk for insurers has been raised.

Recently, an American Express Co. subsidiary, IDS Financial Services Inc., issued a report entitled "Will the U.S. Life Insurance Industry Keep Its Promises?"

The report argued that while many insurers were guarding against big movements in rates, "how well they are doing it is an open issue," said Cathy Waldhauser, one of the report's authors.

"Many of the smaller companies don't have the resources to deal with it," she said in a recent telephone interview.

What all sides appear to agree on is that the risk of junk bonds to the insurance industry has probably been overblown.

In recent months, a number of articles have questioned whether insurance companies, because of their holdings of troubled junk bonds, might follow the savings and loans and be the next financial industry to collapse.

But a recent study by the life insurance council found that on average, life insurers held only 4.6 percent of their assets in junk bonds.

Bonn Backs Soviet Loan but Snag Arises

By Carl Gewirtz
International Herald Tribune

PARIS — The West German government gave its backing on Friday to a loan of 5 billion Deutsche marks ($2.98 billion) to the Soviet Union, but a last-minute snag on details left in question exactly how much of the bank loan would be guaranteed by the Bonn government.

The banking consortium providing the loan said that the terms that had been negotiated included a 100 percent guarantee. But the budget committee of the West German Bundestag said Friday that the guarantee covered only 90 percent of the loan.

West German banks are also negotiating a Bonn-guaranteed bank loan to Hungary of 500 million to 800 million DM.

The Soviet loan, which is being organized by Deutsche Bank AG and Dresdner Bank AG, and which is to be syndicated among all West German banks, runs for 12 years with interest set at ½-point over the six-month interbank rate, currently 8½ percent.

Government approval of the loan had been expected.

"We negotiated on the clear understanding of a 100 percent guarantee," a Deutsche Bank official said. "There will have to be further discussion on this point. I can't say what the implications are, this is a political issue."

Although the Soviet Union will be paying only half a percentage point over the interbank rate — a considerable saving compared to what it has recently been charged to borrow from banks — the lenders will only receive a quarter of that, a margin of ⅛-point or 12½ basis points.

The remaining ⅜-point of the Soviet interest payments will be turned over to the West German government as a fee for providing banks the guarantee on the loan.

The saving to the Soviet Union will be considerable. Although two years ago it was able to raise money in the syndicated loan market at a margin of only 18¾ basis points — and at a reported 12½ basis points in private deals with individual banks — the Soviet Union's credit rating has deteriorated as its arrears on commercial credits have started to mount.

By late last year, the Soviet Union was obliged to pay a margin of 88 basis points to arrange a small syndicated loan and in recent weeks, bankers report, it has been paying a full percentage point over the interbank rate.

Thus, the half-point margin on the new German loan represents a saving of half a percentage point.

Discussions on the guaranteed loan to Hungary, German bankers said, are not expected to be completed until next week.

Last November, the Hungarians arranged a 10-year loan of 500 million DM from West German banks of which the Bonn government guaranteed 90 percent. Interest was set at ½-point over the interbank rate with banks required to return ⅜-point to Bonn on the amount guaranteed.

The duration of the new loan has not been fixed. The West German guarantee is expected to cover 90 percent of this loan.

Raiding Game Is Over for Coniston Partners

Compiled by Our Staff From Dispatches

NEW YORK — Coniston Partners, one of the most prominent corporate raiders of the 1980s, is disbanding because of the shrinkage of the mergers and acquisitions market, the investment group said Friday.

The three partners who have led the investment group, Keith R. Gollust, Paul E. Tierney Jr., and Augustus K. Oliver, said they were dismantling their $700 million fund because of the scarcity of takeover financing and suitable target companies.

However, the three financiers said they planned to continue to seek investments and acquisitions. Without Coniston, their main investment fund, they said they would finance their ventures on a case-by-case basis.

Mr. Gollust, Mr. Tierney and Mr. Oliver formed Coniston in 1982. The partnership typically took a large stake in a target company and pressured management to take actions to increase the price of the company's stock.

In its heyday, Coniston's biggest targets included Gillette Co., Allegis Corp. and TW Services Inc.

The partnership failed in a 1988 attempt to take control of Gillette's board, but it succeeded in forcing a 1987 restructuring at Allegis, which ultimately shed all of its assets except for United Airlines and renamed itself UAL Corp. Coniston took over TW last year.

The partnership is to continue its investments in TW and UAL. Coniston is participating in a $4.38 billion plan by United Airlines employees to take their company private.

The demise of Coniston marks the latest retreat by corporate raiders following the collapse of the junk bond market last fall. The failure of the $6.7 billion buyout of Federated Department Stores Inc. by Campeau Corp. in September 1989 slowed takeover financing to a crawl and brought the merger boom to an end.

A spokesman for Coniston said that the cash remaining in the fund would be redistributed to investors over the next few week. *(AP, Reuters)*

U.S. Durable Goods Orders Rose 3.9% in May

Compiled by Our Staff From Dispatches

WASHINGTON — U.S. durable goods orders advanced a surprising 3.9 percent in May on strong demand for motor vehicles and airplanes, the Commerce Department reported Friday.

Private economists had expected a 2 percent increase in orders for the expensive items, made to last three or more years, after a decline of 4.2 percent in April and a gain of 6.7 percent in March.

"It's a strong durable goods report," said Alan Sinai, chief economist at the Boston Co. "The manufacturing sector does appear to be picking up. We'll have to wait and see whether it's a flash in the pan or for real."

But Robert Dederick, chief economist at the Northern Trust Co. in Chicago, said, "It's not as strong as it appears" because of weak orders for heavy equipment for factories that make nondefense products.

The Commerce Department also reported Friday that personal income edged up 0.3 percent in May for the second straight month, but personal spending was unchanged from the previous month, a sign of consumer caution.

Consumer spending is considered a barometer of economic health because it accounts for about two-thirds of the nation's economic activity.

Personal income in May was reported at a seasonally adjusted annual rate of $4.70 trillion. The 0.3 percent gains followed three consecutive monthly advances of 0.8 percent.

Durable goods orders totaled $128.2 billion in May, a $4.8 billion gain over April. Not counting transportation, new orders were up 1.8 percent last month, a government spokesman said. Not counting defense, May orders were up 2.8 percent, the spokesman said.

Almost two-thirds of the May increase in the volatile transportation sector — up 9.9 percent to $35.3 billion — was in motor vehicles, the Commerce Department said. The remainder was in aircraft.

Consumer spending in May remained unchanged at a seasonally adjusted annual rate of $3.66 trillion after seven straight months of gains, including 0.5 percent in April and 0.3 percent in March.

The report follows other signs of consumer weakness, including three consecutive monthly declines in retail sales through May. It was the first time retail sales had dropped three months in a row since the summer of 1981, during the last recession.

Nevertheless, the difference helped improve Americans' savings rate. The rate — savings as a percent of disposable income — rose to 6.2 percent from 6.0 percent in April and 6.3 percent in March. The March rate was the highest in five years. *(UPI, AP)*

Philip Morris Enters Europe With Suchard Takeover Deal

By Lawrence Malkin
International Herald Tribune

NEW YORK — Philip Morris Cos., America's largest food and tobacco conglomerate, invaded the rapidly growing European market on Friday by agreeing to pay 5.4 billion Swiss francs ($3.8 billion) for Jacobs Suchard AG.

The announcement of the deal immediately touched off charges of insider trading and short-changing stockholders, but analysts said they are unlikely to block the acquisition of the big Swiss confectionary and coffee company. A successful deal would give Philip Morris close to $50 billion in worldwide revenue.

Wall Street liked the deal, and Philip Morris shares rose 12.5 cents to $44.50 in a very weak market after analysts said the purchase would hardly dilute the company's earnings, projected at about $3.80 per share this year.

Moody's Investors Services left its rating of the company's $10.9 billion long-term debt unchanged because of its heavy cash flow, especially from tobacco.

Philip Morris offered 8,500 Swiss francs each for the outstanding bearer shares. A spokesman said the U.S. company would not pay more because a deal with the Suchard chairman, Klaus Jacobs, already puts his controlling interest in Philip Morris's hands.

Analysts calculated, and Philip Morris confirmed, that Mr. Jacobs would be receiving what one called "a sweetener" for delivering a controlling block, although neither side would say how much the premium would be. This may be clarified when terms of the tender are published by July 10 under the Swiss takeover code.

Some analysts calculated that Philip Morris would be paying Mr. Jacobs from 10,000 to 11,0000 francs a share. Allan Kaplan of Merrill Lynch & Co. said this could mean an additional profit of up to $350 million for Mr. Jacobs.

The calculations were complicated by the fact that Suchard will keep its industrial chocolate operations in Europe and its unprofitable Canadian subsidiary, E.J. Brach.

Swiss analysts said they had been expecting an offer of more than 20 times earnings, which would have meant 11,500 Swiss francs per share. The 8,500 price offered amounts to about 16 times Suchards' expected earnings for this year.

They said the offer appears to flout the new Swiss takeover code, which came into force last year and stipulates that all shareholders should be treated equally. But Markus Naef of Julius Baer Bank Ltd. said the new code was "worthless" because it has no legal force.

Rumors of an impending deal had driven the Suchard stock up from 7,175 Swiss francs at the end of May to Thursday's closing price of 7,800 Swiss francs.

On Friday the director of the Zurich Stock Exchange, Richard Meier, said an internal investigation of insider trading was under way, and the Suchard board said it was investigating leaks that landed the story in a Swiss financial newspaper Thursday.

The effect of all this is likely to be nil, since no one has been prosecuted under Switzerland's insider trading laws since they came into force in 1988.

In taking over Kraft General Foods two years ago, Philip Morris paid about 24 times earnings.

"For the first time in a while they have gotten a really nice deal," said Merrill Lynch's Mr. Kaplan of the present transaction. He said it would raise the share of Philip Morris's food earnings from 30 to 33 percent.

Tobacco accounts for 65 percent of earnings, and although the company is under constant pressure from government and more recently from stockholders to dump its tobacco business, it has no intention of doing so — especially abroad, where earnings from tobacco more than doubled from $4 to $8.3 billion from 1985 to 1988.

But the acquisition positions

See SUCHARD, Page 10

Tokyo Prescribes More Surplus Cuts

Reuters

TOKYO — Japan should maintain its efforts to boost imports to help cut its trade surplus, the Ministry of International Trade and Industry said in an annual white paper released Friday.

The release of the paper coincides with an apparent backdown by another government agency, the Finance Ministry, from its recent position that Japan's huge external surpluses are beneficial to efforts to assist developing countries.

In the past few weeks, the Finance Ministry had been vigorously selling a view that Japan's external surpluses are needed to help finance newly democratizing countries in East Europe and other cashed-starved nations.

A report published in May by a Finance Ministry advisory panel explicitly said that Japan should maintain a certain level for its current account surplus to provide economic aid.

But this immediately invited criticism from the United States and rival Japanese bureaucrats, prompting the Finance Ministry to soften its position.

Friday's white paper came two days after Finance Minister Ryutaro Hashimoto told senior ruling Liberal Democratic Party members: "The Japanese government and the Finance Ministry have never had such a view," referring to the need to maintain a trade surplus.

With the white paper, Japan renewed its pledge to push for further reductions in the trade surplus, a MITI official said at a briefing. "It is important for Japan to make contributions to the international community on a level that fits its economic capacity," the paper said.

"Japan will keep providing economic aid to developing nations regardless of fluctuations in current account surplus," the MITI official added. The current account measures trade in goods and services.

The paper said Japan's current account surplus fell to $57.2 billion in 1989 from $79.7 billion in 1988 due to a sharp decline in its merchandise trade surplus.

Japan's trade surplus fell to $76.9 billion in 1989 from $95.0 billion in 1988 as growth in domestic demand reduced exports, while higher oil prices and the yen's weakness enhanced the value and volume of imports, the paper said.

"If domestic demand continues to grow steadily, increases in Japan's exports will be depressed," the ministry official added.

A growing nonmerchandise trade deficit also helped cut the current account surplus, the white paper said. It attributed the nonmerchandise trade deficit mainly to a substantial increase in the numbers of Japanese traveling abroad.

The white paper also said criticism that Japanese markets are closed does not reflect the facts.

According to the white paper, 77.8 percent of foreign companies in Japan say they do not see any special factors hindering foreign access to Japanese markets.

The white paper said Japan's imports from the United States amounted to $364 per person in 1989, while European Community imports from the United States averaged $267 per person.

"Japan's imports can be expanded and there is still room for foreign companies to participate in Japanese markets, accordingly," the ministry official said.

The white paper said protectionism movements grew in the United States through the 1980s, but added that protectionism does not improve industrial competitiveness.

The paper also reiterated that Japan should play an active role in maintaining and strengthening the free trade system.

Japan Passes U.S. as Largest Donor of Aid

Reuters

TOKYO — Japan replaced the United States as the world's largest donor of aid to foreign governments in 1989, the Finance Ministry said Friday.

Japan's official development assistance payments totaled $8.95 billion in 1989. The United States was next at $7.66 billion and France was third at $7.46 billion, the ministry said.

The timing of donations was in large part responsible for Japan's ascent. The United States in 1988 paid close to $2 billion of the funds allocated for 1989.

Still, a Japanese ministry official called the higher aid payments "an epoch-making development." Japan's 1989 aid total, which amounted to 1,235 billion yen, was the country's largest ever in yen terms, up 5.6 percent from 1988, the official added. But it was 1.9 percent lower in dollar terms from 1988, ministry data show, due to the yen's depreciation.

CURRENCY RATES

Cross Rates

June 22

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.8885	3.263	1.125	0.3351	0.1525 *	—	5.453 *	1.335	1.2288 *	1.4065	1.829 *
Brussels	34.4625	59.6375	20.5025	6.1125	2.8006 *	18.2485	—	24.3535	0.2228	29.315	0.3334 *
Frankfurt	1.6882	2.91	—	0.2978	0.1365 *	0.889	4.874 *	1.1863	1.0855 *	1.4288	1.625 *
London (a)	1.7295	—	2.888	9.7338	2,124.50	3.267	59.535	2.4438	267.76	2.0085	178.40
Madrid	103.456	178.29	61.587	18.333	8.4005 *	54.74	3.001	73.04	66.523 *	87.982	—
Milan	1,231.58	2,128.48	732.88	218.26	—	651.54	35.716	869.78	N.A.	1,046.75	11.988
New York (b)	—	1.733 a	1.6745	5.684	1,227.58	1.884	34.415	1.4117	154.85	1.1785	103.38
Paris	5.638	9.7565	3.358	—	0.4582 *	2.9945	0.1636	3.9835	3.646 *	4.792	5.4555 *
Tokyo	154.98	266.58	92.37	27.53	0.1282	82.15	4.5055	109.42	—	131.72	1.504
Toronto	1.1778	2.0394	0.7002	0.2094	0.9595 *	0.6252	3.42 *	0.8338	0.7606 *	—	1.143 *
Zurich	1.4145	2.4434	0.842	0.2508	0.1149 *	0.7488	4.1039 *	—	0.9144 *	1.1989	1.3475 *
1 ECU	1.2284	0.7085	2.063	6.9268	1,512.12	2.3208	42.3357	1.7388	190.853	1.4448	127.881
1 SDR	1.3142	0.7631	2.2114	7.4285	1,621.38	2.4854	45.3582	1.8637	203.939	1.5454	134.165

Closings in London and Zurich, fixings in other centers. New York closing rates; Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	5330.2	Greek drac.	164.10	Mex. peso	2846.00	S. Afr. rand	2.6625
Austral. $	1.2796	Hong Kong $	7.7855	N. Zealand $	1.7094	Soviet ruble*	0.5995
Austr. schil.	11.79	Indian rupee	17.452	Norw. krone	6.456	Swed. krona	6.073
Brazil cruz.	56.70	Indo. rupiah	1828.02	Phil. peso	22.79	Taiwan $	27.10
Chinese yuan*	4.72	Irish £	0.6264	Port. escudo	147.00	Thai baht	25.73
Danish krone	6.39	Israeli shek.	1.97	Saudi riyal	3.7495	Turkish lira	2610.01
Egypt. pound	2.7084	Kuwaiti dinar	0.2923	Sing. $	1.842	UAE dirham	3.6727
Fin. markka	3.949	Malay. ring.	2.7095	S. Kor. won	716.80	Venez. boliv.	47.65

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.7186	1.7088	1.7007	Canadian dollar	1.1804	1.1857	1.1907
Japanese yen	154.63	154.51	154.40	Swiss franc	1.4147	1.4140	1.4134
Deutsche mark	1.6776	1.6775	1.6775				

Sources: Indosuez Bank (Brussels); Banco Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

INTEREST RATES

Eurocurrency Deposits

June 22

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	8 5/16-8 7/16	7⅞-8	8⅞-9	14⅞-15	9⅝-9¾	7⅜-7½	9 13/16-9 15/16	8¾
2 months	8 5/16-8 7/16	8-8⅛	8⅞-9	14⅞-15	9 11/16-9 13/16	7⅜-7½	9 15/16-10 1/16	8 13/16
3 months	8¼-8⅜	8⅛-8¼	8⅞-9	14⅞-15	9⅞-10	7⅜-7½	10 1/16-10 3/16	8⅞
6 months	8 5/16-8 7/16	8⅜-8½	8 13/16-8 15/16	14⅞-15	10 1/16-10 3/16	7 7/16-7 9/16	10 5/16-10 7/16	9
1 year	8 7/16-8 9/16	8⅝-8¾	8⅜-8½	14⅝-14 ¾	10¼-10⅜	7½-7⅝	10 7/16-10 9/16	9 1/16

Sources: All Reuters except ECU: Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

June 22

	Close	Prev.
United States		
Discount rate	7.00	7.00
Prime rate	10.00	10.00
Federal funds	8 3/16	8¼
Com paper 90-177 days	7.87	7.87
3-month Treasury bills	7.75	7.75
6-month Treasury bills	7.63	7.63
1-year Treasury bills	7.53	7.55
30-year Treasury bond	8.48	8.47
2-month CD's	7.80	7.70
3-month CD's	7.80	7.70
Japan		
Discount rate	5¼	5¼
Call money	7 11/32	7 9/32
2-month interbank	7 11/32	7 5/16
3-month interbank	7 11/32	7 5/16
West Germany		
Discount rate	6.00	6.00
Lombard rate	8.00	8.00
Call money	7.65	7.80
1-month interbank	7.95	8.00
3-month interbank	8.30	8.30
6-month interbank	8.55	8.55
Britain		
Bank base rate	15.00	15.00
Call money	15	14⅞
3-month interbank	14 15/16	14 15/16
6-month interbank	14 31/32	14 15/16
France		
Intervention rate	9½	9½
Call money	9 13/16	9⅝
1-month interbank	9¾	9¾
3-month interbank	9 15/16	10
6-month interbank	10⅛	10 3/16

Sources: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

Asian Dollar Deposits

June 22

1 month	8 3/16 - 8 5/16
2 months	8 3/16 - 8 5/16
3 months	8¼ - 8⅜
6 months	8 5/16 - 8 7/16
1 year	8½ - 8⅝

Source: Reuters.

U.S. Money Market Funds

June 22

Merrill Lynch Ready Assets
30-day average yield: 7.82
Telerate Interest Rate Index: 8.141
Source: Merrill Lynch, Telerate.

GOLD

June 22

	A.M.	P.M.	Ch'ge
Hong Kong	349.75	349.45	−0.70
Luxembourg	349.35	—	−0.80
Paris (12.5 kilo)	350.11	350.31	−1.20
Zurich	349.75	348.65	−1.50
London	349.35	348.40	−1.35
New York	—	349.75	−0.50

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.
Source: Reuters.

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4TH PRIZE 4 OUT OF 6	48,917	$139.30
5TH PRIZE 3 OUT OF 6	965,112	$10.00
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*All prizes quoted in Canadian dollars.
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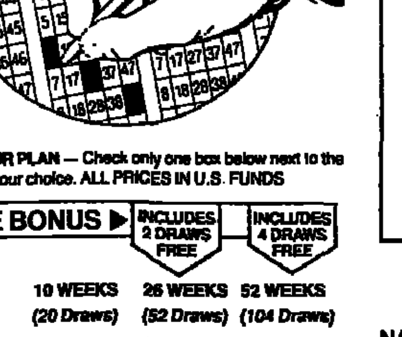

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MARKET DIARY

Program Sales Send Dow Sharply Lower

Compiled by Our Staff From Dispatches

NEW YORK — A barrage of program selling whipsawed the U.S. stock market on Friday, sending blue chips plunging in the final hour of trading to their steepest decline since Monday's 54-point tumble.

"It was about a 70-point swing in a little over an hour," said William LeFevre, a market strategist at Advest Group, noting that stocks were up previously. "It was all programs."

The Dow Jones industrial average fell 44.55 points, or 1.54 percent, to 2,857.18, stretching its loss for the week to 78.71 points. Losing issues led gainers by a 3-2 margin.

Volume on the New York Stock Exchange was the heaviest for the week, at about 172.57 million shares, compared with a level of about 130 million in earlier sessions. On Thursday, 138.57 million shares were traded.

The NYSE's composite index dropped 2.25 to 194.24.

The late selling reversed a 22-point gain in the Dow earlier in the afternoon. "It was all programs," said Richard Meyer, managing director of institutional trading at Ladenburg Thalmann & Co.

Jack Solomon, a technical analyst at Bear Stearns & Co., said he had felt the market was due for a pullback, but he expressed surprise over the extent of the fall. Earlier, the market seemed to have stabilized, managing to rise modestly in three consecutive sessions following Monday's decline.

"I'm a little upset by the market," Mr. Solomon said. "The rally has been anaemic as far as sustaining volume, and the consequences were that there was a vacuum underneath.

"Profit-taking was exacerbated by programs," he added. "There was also poor leadership in the last couple of days by bellwether stocks like IBM, Compaq Computer and Boeing Co."

Bond prices took a divergent path from stocks, edging slightly higher near the end of the day.

Steve Poling, executive vice president at AMEV Advisers Inc., said, "I think there is probably still a lot of cash on the sidelines. There's a lack of conviction among money managers that the market is going to do all that well this year."

Analysts said investors were wary because two key ingredients for a rally, lower interest rates and strong corporate profits, have become increasingly elusive. In the absence of these, they said, investors are choosing to stay in cash.

Prices were higher most of the day as many cash-rich institutions, particularly pension funds, closed their books for the quarter. Trading in drug and health care stocks continued strong.

Philip Morris ended up ⅛ to 44½ following an announcement it would buy the Swiss confectioner Jacobs Suchard. The stock was up 1⅞ earlier in the day.

Prices were lower in light trading of American Stock Exchange issues.

Among the issues that gained, American Express was the most active issue on the NYSE up ⅛ at 30⅛.

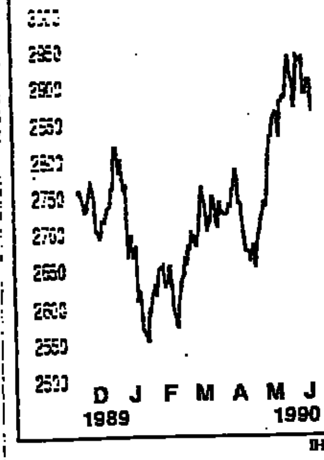
(Reuters, UPI)

N.Y. Stocks

Via Associated Press June 22

The Dow

Daily closings of the Dow Jones industrial average



IHT

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
AT&T	79595	44½	42¼	42⅝	—1⅛
AmExp	48970	30⅞	30⅛	30⅛	+⅛
PhilMr s	39090	46⅝	44¼	44½	+⅛
Bevrly	24420	6	5¼	5¾	+½
FtBrd n	18614	29⅝	27	28¾	+4¾
Navistr	16264	4¼	4	4⅛	
Baxter	15915	25⅛	24⅝	25	—⅛
Boeing s	15696	59⅞	57	57⅞	—1⅝
BrMySq	15654	63⅝	61⅞	61⅞	—1
GenEl	15466	71⅞	69⅝	69⅞	—¾
Harley s	13768	26½	25⅝	25⅞	—¾
Upjohn	13068	42⅝	40⅝	40¾	—1⅛
Exxon	12229	49	47⅞	47⅞	—¾
IBM	11962	119½	116⅛	116¼	—2⅞
USWst s	11542	37⅛	35⅝	36	—1⅛

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
Hilhav n	35859	1¾	1⅝	1¾	+¼
FruitL	6913	12	11¾	11⅞	—⅛
BAT In	6752	11⅞	11⅝	11⅞	+⅛
SNK I93wt	4395	8⅞	8	8⅞	+1
A-ma sc	4072	22⅛	20⅜	21	+½
Dk Nk wt	3643	9⅝	9⅛	9⅝	+⅜
Diasonc	3563	3⅞	3⅜	3½	+⅜
PldHlth	3449	9⅞	8⅞	9⅛	+⅜
EksNk wt	3058	3⅜	3	3⅜	+⅜
SNK I93wt	2655	9⅝	8⅝	9⅝	+1⅛
ENSCO	2270	4⅝	4¼	4¼	—⅛
Elan	2205	20½	19	19⅞	+1
AT&E	2188	23⅞	22⅜	22⅞	+¼
Amdhl	2138	15⅞	15⅝	15⅝	—⅜
WDigitl	1838	13⅞	13⅛	13¼	—⅝

NYSE Diary

	Close	Prev.
Advanced	611	774
Declined	896	696
Unchanged	509	539
Total Issues	2016	2009
New Highs	57	34
New Lows	31	38

Amex Diary

	Close	Prev.
Advanced	272	251
Declined	288	269
Unchanged	264	273
Total Issues	824	793
New Highs	14	9
New Lows	18	19

NASDAQ Diary

	Close	Prev.
Advanced	872	963
Declined	1,023	916
Unchanged	2,397	2,412
Total Issues	4,292	4,219

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	2985.94	2931.93	2848.02	2857.18	— 44.55
Trans	1178.28	1186.86	1161.21	1164.23	— 12.41
Util	209.13	210.64	207.56	208.19	— 1.00
Comp	1044.81	1053.35	1027.72	1030.78	— 12.81

Standard & Poor's Indexes

	High	Low	Close	Ch'ge
Industrials	426.58	416.97	417.20	—5.87
Transp.	286.22	280.85	281.00	—3.44
Utilities	142.78	140.04	140.08	—2.35
Finance	29.43	28.87	28.88	—0.34
SP 500	363.20	355.31	355.43	—5.04
SP 100	346.86	338.33	338.41	—5.61

NYSE Indexes

	High	Low	Close	Ch'ge
Composite	197.53	194.24	194.24	—2.25
Industrials	244.50	240.13	240.13	—2.79
Transp.	177.27	174.29	174.29	—2.24
Utilities	93.45	91.97	91.97	—1.31
Finance	146.28	144.58	144.58	—1.10

NASDAQ Indexes

	Close	Ch'ge	Week Ago	Month Ago
Composite	459.33	—1.94	467.55	453.49
Industrials	492.49	—2.69	500.26	482.48
Finance	451.40	—1.03	459.34	454.41
Insurance	501.17	+0.40	511.21	497.27
Utilities	650.93	—2.95	667.48	649.97
Banks	341.73	—0.29	347.61	349.09
Transp.	480.36	—0.49	494.00	475.93

AMEX Stock Index

High	Low	Close	Ch'ge
360.89	359.28	359.29	—0.93

Dow Jones Bond Averages

	Close	Ch'ge
Bonds	90.91	+0.22
Utilities	92.09	+0.16
Industrials	89.74	+0.28

Market Sales

NYSE 4 p.m. volume	172,570,000
NYSE prev. cons. close	168,153,420
Amex 4 p.m. volume	17,940,000
Amex prev. cons. close	10,550,000
NASDAQ 4 p.m. volume	167,538,100
NASDAQ prev. 4 p.m. volume	144,292,200
NYSE volume up	41,023,400
NYSE volume down	105,748,400
Amex volume up	9,502,400
Amex volume down	6,245,700
NASDAQ volume up	n.a.
NASDAQ volume down	n.a.

N.Y.S.E. Odd-Lot Trading

	Buy	Sales	*Sh'rt
June 21	448,091	567,888	15,282
June 20	470,280	590,459	26,796
June 19	472,076	625,366	38,605
June 18	397,431	586,431	36,085
June 15	594,539	679,281	6,247

*Included in the sales figures

S&P 100 Index Options

June 22

Strike Price	Calls-Last Jly	Aug	Sep	Oct	Puts-Last Jly	Aug	Sep	Oct
295	57⅛	—	—	—	⅛	—	—	—
300	40	—	—	—	⅛	⅜	—	—
305	35	—	—	—	¼	⅝	—	—
310	—	—	—	—	⅜	1⅛	1⅜	—
315	—	—	—	—	⅝	1½	2	—
320	22	—	22	—	1	3	3	4½
325	17⅜	—	—	—	1⅞	3⅝	5⅛	—
330	13⅜	21	24	—	2½	5	7	6⅝
335	9⅝	14⅞	17⅛	—	4	6⅝	7⅝	—
340	6⅝	9⅝	13¼	—	5⅝	8⅝	10⅞	9⅞
345	4	6⅝	10⅜	—	8⅝	10⅝	9	—
350	2⅛	4⅝	7⅛	11⅛	12⅝	14	12	—
355	1	2⅝	5	—	17	12	14	—
360	⅜	1⅝	3⅛	—	15	16⅝	—	—
365	⅛	1	—	—	—	—	—	—

Calls: total vol. 185,539; total open int. 272,618
Puts: total vol. 85,357; total open int. 299,383
S&P 100 Index: High 346.86 Low 338.33 close 338.41 —5.61
Source: CBOE.

Dividends

Company	Per	Amt	Pay	Rec
DISTRIBUTION				
Tenera LP	Q	.20	7-10	6-30
INCREASED				
Air Prods & Chem	Q	.36	8-13	7-5
Ennis Bus Form	Q	.18	8-1	7-16
FFedl Svgs Mgmt	Q	.09	7-25	7-5
One Valley Bncrp	Q	.27	7-12	6-28
Pioneer Fedl Svgs	Q	.14	7-26	7-12
SCEcorp	Q	.66	7-31	7-5
State Street Boston	Q	.17	7-16	7-2
OMITTED				
Gesco Industries				
Syntech International				
REDUCED				
Home Savings Bank	Q	.18¾	7-19	7-6
REVERSE STOCK SPLIT				
Electronic Clearing House — 1-for-11				
STOCK SPLIT				
Payco American Corp — 2-for-1				
USUAL				
ACCEL Intl Corp	Q	.05	8-1	7-9
Amer SW Mtge Inv	M	.06	7-16	6-29
Analysts Intl	Q	.12	8-15	7-31
Arvin Inds Inc	Q	.17	9-30	9-7
Atlantic Bncrp	Q	.10	7-16	6-30
Commerce Clearing	Q	.35	7-25	6-29
CVB Finl Corp	Q	.06½	7-18	7-5
DCNY Corp	Q	.10	7-13	7-2
Deerfield Fedl S&L	Q	.20	7-13	7-6
Excel Inds	Q	.10	7-23	7-6
Federal Signal	Q	.16½	9-5	8-17
General Signal	Q	.45	10-1	9-10
Getty Petroleum	Q	.05	7-17	7-5
Graco Inc	Q	.15	8-8	7-11
Heilig-Meyers Co	Q	.11	8-18	7-18
Hunt Mfg Co	Q	.07½	7-12	7-2
Justin Industries	Q	.10	7-12	7-2
NatlMerc Bncrp	Q	.10	7-30	7-18
North Fork Bncrp	Q	.21½	7-16	7-5
Nynex Corp	Q	1.14	8-1	6-29
Oshman's Sport	Q	.05	7-23	7-6
PrimeBank Fedl Svg	Q	.10	7-19	7-5
Putnam Hi Inc Tr	M	.10	7-16	7-5
Putnam US Govt GS	M	.139	7-16	7-5
Seligman Com Stk	Q	.10	6-29	6-21
Seligman Growth	S	.05	6-29	6-21
Seligman Income	Q	.26	6-29	6-21
Shawmut Natl Corp	Q	.25	7-20	6-30
TCBY Ents	Q	.03	7-25	7-10
Transom Corp	Q	.48	7-31	7-5
UJB Finl	Q	.29	8-1	7-5
UST Corp	Q	.15¾	7-16	6-30
Wolbro Corp	Q	.10	7-31	6-29

a-annual; m-monthly; q-quarterly; s-semi-annual
Source: UPI.

Currency Options

June 22

PHILADELPHIA EXCHANGE

Option & Underlying	Strike Price	Calls-Last Jul	Aug	Sep	Puts-Last Jul	Aug	Sep
50,000 Australian Dollars-cents per unit.							
Dollr	72	r	r	r	r	r	0.09
78.53	75	r	r	r	r	0.22	r
78.53	76	r	r	r	r	0.40	r
78.53	77	r	r	r	0.30	r	r
78.53	78	0.94	r	r	0.54	1.05	1.63
78.53	79	0.35	0.62	r	r	r	r
78.53	80	0.14	0.27	r	r	r	r
50,000 Australian Dollars-European Style.							
78.53	78	r	r	r	r	r	1.57
31,250 British Pounds-cents per unit.							
Pound	145	s	s	r	s	s	0.01
173.41	147½	s	s	r	s	s	0.01
173.41	150	r	r	r	r	r	0.01
173.41	152½	r	r	r	r	r	0.05
173.41	155	r	r	r	r	r	0.10
173.41	157½	r	r	r	r	0.05	0.20
173.41	160	r	r	r	r	r	0.40
173.41	162½	r	r	r	r	r	0.65
173.41	165	8.00	r	r	r	0.26	1.10
173.41	167½	5.25	r	r	r	0.85	1.72
173.41	170	3.20	3.30	3.40	0.60	1.45	2.95
173.41	172½	1.55	2.25	2.59	1.30	3.51	r
173.41	175	0.51	1.00	r	r	r	r
173.41	177½	0.15	r	0.95	r	r	r
50,000 Canadian Dollars-cents per unit.							
Dollr	81½	r	r	r	0.07	r	0.29
84.81	82	2.65	r	r	0.07	0.24	0.38
84.81	82½	r	r	r	0.08	0.28	r
84.81	83	r	r	r	0.20	0.38	0.61
84.81	83½	r	r	r	0.28	0.60	0.87
84.87	84	0.85	r	r	0.36	0.65	1.05
84.81	84½	0.60	0.60	r	0.53	1.00	1.48
84.81	85	0.37	r	0.54	0.82	1.28	1.65
84.81	85½	r	r	0.40	1.20	1.64	r
84.81	86	r	r	r	1.80	r	2.48
84.81	86½	r	r	r	1.95	r	r
50,000 Canadian Dollars-European Style.							
Dollar	83	r	r	r	r	r	0.77
84.81	84	r	r	r	0.45	r	1.00
84.81	85½	0.12	r	r	1.26	1.66	r
62,500 West German Marks-cents per unit.							
Mark	57	r	r	r	0.09	r	r
59.72	58	r	r	r	0.07	0.25	0.42
59.72	59	0.93	1.10	r	r	r	r
59.72	59½	r	r	s	0.44	r	r
59.72	60	0.30	0.48	0.98	r	r	r
59.72	60½	0.20	r	s	r	r	r
59.72	61½	0.07	r	s	r	r	r
62,500 West German Marks-European Style.							
59.72	54	r	s	5.61	r	s	r
6.25 mil Yen-100ths of a cent per unit.							
Yen	64	r	r	r	0.22	r	0.70
64.66	64½	0.54	r	s	0.41	0.66	r
64.62	65	0.32	r	r	r	r	r
64.66	65½	0.18	r	s	r	r	r
64.66	66	0.11	r	0.54	r	r	r
64.66	66½	0.06	r	s	r	r	r
64.66	67	r	r	0.29	r	r	r
62,500 Swiss Francs-cents per unit.							
Franc	65	r	r	r	r	r	0.09
70.93	69	r	r	2.49	0.14	r	r
70.93	69½	r	r	s	0.23	r	r
70.93	70	r	r	r	0.36	0.67	0.94
70.93	70½	0.93	r	r	s	r	r
70.93	71	0.58	r	r	0.68	r	r
70.93	72	r	0.51	r	r	r	r

Total call vol. 4,809 Call open int. 269,254
Total put vol. 9,813 Put open int. 263,331
r—Not traded. s—No option offered.
Last is premium (purchase price).

London Metals

	Close Bid	Ask	Previous Bid	Ask
ALUMINUM (High Grade) Dollars per metric ton				
Spot	1552.00	1555.00	1546.00	1548.00
Forward	1572.00	1574.00	1567.00	1568.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1481.00	1483.00	1465.00	1467.00
Forward	1456.00	1457.00	1446.00	1447.00
LEAD Sterling per metric ton				
Spot	502.00	504.00	483.00	485.00
Forward	506.00	507.00	490.00	491.00
NICKEL Dollars per metric ton				
Spot	8775.00	8800.00	8800.00	8825.00
Forward	8750.00	8775.00	8800.00	8810.00
TIN Dollars per metric ton				
Spot	6160.00	6170.00	6155.00	6165.00
Forward	n.a.	n.a.	6270.00	6277.00

Zinc prices were not available Friday.

European Commodities

	Close Bid	Ask	High	Low	Previous Bid	Ask
LONDON SUGAR U.S. Dollars per metric ton						
Aug	279.60	279.80	282.40	278.00	281.20	281.60
Oct	276.40	276.60	279.80	274.00	278.00	278.40
Dec	267.00	281.80	270.80	270.00	280.80	280.00
Mar	266.80	267.00	268.40	265.60	267.00	267.80
May	266.40	266.80	268.40	264.00	267.00	267.80
Aug	266.00	266.20	267.00	265.40	266.00	266.40
Oct	262.00	263.00	263.00	262.00	263.00	266.00
Volume: 2,499 lots of 50 tons.						
LONDON COCOA Sterling per metric ton						
Jul	733	734	753	734	764	765
Sep	757	758	777	755	786	787
Dec	788	790	806	784	815	817
Mar	821	822	831	814	857	838
May	844	845	850	835	859	861
Jul	862	863	869	854	880	881
Sep	883	884	889	874	896	899
Volume: 1,015 lots of 10 tons.						
LONDON COFFEE Sterling per metric ton						
Jul	563	564	570	556	574	575
Sep	579	580	594	578	599	600
Nov	598	600	613	598	618	619
Jan	617	618	629	617	636	637
Mar	632	635	645	635	650	653
May	653	655	663	654	670	672
Jul	666	670	679	679	680	686
Volume: 5,335 lots of 5 tons.						
LONDON GASOIL U.S. dollars per metric ton						
Jul	145.25	145.75	145.50	143.75	142.75	143.00
Aug	146.00	146.25	146.25	144.25	143.50	—
Sep	147.75	—	148.00	146.50	145.75	—
Oct	150.50	151.25	151.50	150.25	149.50	149.75
Nov	153.50	154.00	153.75	152.00	151.75	152.00
Dec	155.00	155.25	155.50	154.50	153.75	154.00
Jan	155.25	—	155.25	155.25	153.00	153.25
Feb	148.00	—	148.00	148.00	149.00	150.75
Mar	140.00	—	146.75	145.50	145.00	148.00
Volume: 5,610 lots of 100 tons.						

	High	Low	Close Bid	Ask	Ch'ge
PARIS SUGAR French francs per metric ton					
Aug	2,135	2,117	2,130	2,140	+22
Oct	2,026	2,015	2,015	2,024	+15
Dec	1,985	N.T.	1,981	1,990	+15
Mar	N.T.	N.T.	1,953	1,965	—1
May	N.T.	N.T.	1,940	1,960	—
Aug	N.T.	N.T.	1,930	1,960	+2

Est. vol.: 1,026 lots of 50 tons. Prev. actual sales: 3,333 lots. Open interest: 17,140.

Sources: Paris Bourse du Commerce, London Petroleum Exchange, Reuters.

Dollar Ends Day Lower As Pound Strengthens

Reuters

NEW YORK — The dollar ended mostly lower in quiet U.S. trading that was dominated by technical factors and a focus on the British pound and Swiss franc.

The pound rallied after the government reported a fall in its May trade deficit. It closed at $1.733, up from $1.72 Thursday. The pound has also been benefiting from relatively high British interest rates, which prompt global investors to park funds in sterling deposits when markets slow.

"This market is dominated by speculators and interest rates," said Alexis Egan, a corporate trader for Banque Indosuez in New York. "Speculators tried to push the dollar up, and when that didn't work, they sent it back down."

Noting Britain's continuing economic woes, Ms. Egan said: "Sterling's the toughest guess. It's the strongest currency, but it's got the worst news."

Reports of the purchase of Jacobs Suchard, a Swiss chocolate and coffee concern, by the U.S. conglomerate Philip Morris spurred Swiss franc buying.

The dollar also closed at 1.6745 Deutsche marks, down from Thursday's finish of 1.6775, and at 154.85 yen, up slightly from 154.80 yen Thursday. Against the French franc, the dollar fell to 5.624 from 5.631.

Earlier in London, the dollar closed little changed, with the pound also the main focus of attention.

The pound ended at $1.7295, up from Thursday's close of $1.7240.

The dollar closed basically unchanged at 1.6795 DM, compared with Thursday's close of 1.6800, and at 154.855 yen, against 154.83 at the close thursday.

The dollar also closed at 1.414 Swiss francs, compared with 1.415, and at 5.633 French francs, compared with 5.6415.

Foreign Exchange

SUCHARD: *Philip Morris to Buy*

(Continued from first finance page)

Philip Morris powerfully on supermarket shelves in some of Europe's biggest markets. It gains the Toblerone and Côte d'Or chocolate brands, and by buying Suchard, Mr. Kaplan said, Philip Morris' share of the coffee market jumps from 6 to 30 percent in Germany and 2 to 40 percent in France.

The Philip Morris strategy of using market shares like that to promote its other products is not yet clear, even to the company itself, said the vice president, Guy L. Smith, in Zurich.

"I'm not sure that we would try to make Velveeta the best-selling cheese in France," remarked Mr. Smith. "But we will be taking advantage of Suchard's distribution channels for the products that best fit into Europe's various markets.

Until now, most of Philip Morris's $5 billion annual earnings in Europe was heavily dependent on tobacco.

WORLD STOCK MARKETS

Agence France Presse June 22

Amsterdam

	Close	Prev.
ABN Bank	37.60	37.60
ACF Holding	40	40
Aegon	131.20	129.60
Ahold	131.20	143
Akzo	123	122.90
AMEV	57.80	57
A'Dam Rubber	5.30	5.05
Amro Bank	74.90	74.50
Bols	179.50	179.50
Buhrmann Tett	71.40	71.20
BVG	N.Q.	—
Center Parcs	60.80	61
CSM	83.70	81.50
DAF	31	29.70
DSM	117.60	117.60
Elsevier	90.80	89.80
Fokker	48.10	48
Gist-Brocades	34.80	35
Heineken	124.20	124
Hoogovens	72.40	73
Hunter Douglas	102.70	103.30
IHC Caland	51	51
Inter Mueller	97	95.50
KLM	35.90	35.80
KNP	45.40	44.80
Nat Neder	73	72.60
Nedlloyd	80.80	80.80
NMB Bank	58	49.80
Oce Grinten	58	58.10
Pakhoed	201	198.50
Philips	33.60	33.50
Robeco	99.60	99.40
Rodamco	80.70	80.70
Rolinco	99.70	99.40
Rorento	59.40	59.20
Royal Dutch	142.40	142.70
Unilever	157.60	155.70
Van Ommeren	44.60	44
VMF Stork	55.70	55.90
VNU	101.20	100.70
Wessanen	71.70	71.80
Wolters/Kluwer	52.80	51.70

CBS Gen'l trend index : 120.50
Previous : 120.30

Brussels

	Close	Prev.
AG Fin	9700	9700
Arbed	5350	5370
Barco	2380	2385
Bekaert	14850	14775
Cockerill	192	193
Cobepa	5490	5460
Delhaize	6410	6400
EBES	3920	3920
GB-Inno-BM	1370	1370
GBL	3980	3990
Gevaert	8420	8430
Hoboken	18600	18600
Intercom	3135	3125
Kredietbank	3970	3950
Petrofina	11875	11925
Royal Belge	5510	5550
Soc Gen Banque	3300	3290
Soc Gen Belgique	3275	3280
Sofina	13000	13000
Solvay	13625	13700
Tractebel	8500	8500
UCB	22700	22475
Unerg Ps	2270	2270

Current Stock Index : 6249.47
Previous : 6263.26

Frankfurt

	Close	Prev.
AEG	288.50	289
Allianz Hold	2720	2705
Altana	515.50	511.50
Aska	785	785
BASF	271.30	272
Bayer	282	283
Bay Vereinsbk	397.50	399.50
BBC	970	1000
BHF Bank	444	454
BMW	583	584
Commerzbank	277.30	276.70
Continental	327	324
Daimler Benz	829	819
Degussa	488.80	491
Dt Babcock	214	215
Deutsche Bank	788.50	784.50
Douglas	887	887
Dresdner Bank	424.50	422.50
Feldmuehle	514.20	513
Harpener	465	470
Henkel	639.50	630
Hochtief	1440	1439
Hoechst	268.50	268.90
Hoesch	348.50	349.50
Holzmann	1688	1650
Horten	267	268
IWKA	421	420
Kali Salz	267	262.70
Karstadt	684	684
Kaufhof	639.90	633
KHD	255.80	256
Kloeckner Werke	223.20	216
Krupp Stahl	410	415
Linde	1006	1007
Lufthansa	183.80	179.50
MAN	487	486
Mannesmann	353.50	352.50
Metallgesell	644.50	628
Muench Rueck	2260	2280
Nixdorf	314.30	310
PKI	554	549
Porsche	1200	1207
Preussag	457.50	453
PWA	324	324
RWE	494	487
Rheinmetall	447	443
Schering	800	794
SEL	390	388
Siemens	741.60	735
Thyssen	283	283
Varta	391	396
Veba	432.50	432.50
VEW	221.50	222
Viag	414.50	410.50
Volkswagen	617	612.50
Wella	618	742

DAX Index : 1872.92
Previous : 1865.97
FAZ Index : 771.73
Previous : N.A.

Markets Closed

The stock markets in Stockholm and Helsinki were closed Friday for a holiday.

Hong Kong

	Close	Prev.
Bk East Asia	15.70	15.50
Cathay Pacific	9.50	9.45
Cavendish Int'l	3.65	3.65
Cheung Kong	12.60	12.50
China Light Pwr	14.60	14.60
Dairy Farm Int'l	10.10	9.90
Hang Lung Dev	5.20	5.20
Hang Seng Bank	20.50	20.60
Henderson Land	8.20	8
HK Air Eng.	19.90	19.90
HK China Gas	11.90	12.10
HK Electric	8.25	8.25
HK Land	8.25	8.15
HK Realty Trust	4.75	4.78
HK Shang Bank	5.80	5.85
HK Shang Hlts	5.10	5.05
HK Telecomm	6.25	6.30
HK Ferry	5.05	5
Hutch Whampoa	11.50	11.50
Hysan Dev	1.26	1.24
Jardine Math.	32.75	33
Jardine Str Hld	17.30	17.40
Kowloon Motor	6.20	6.20
Mandarin Orient	6.10	6.05
Miramar Hotel	7	7
New World Dev	10.90	10.80
SHK Props	14.80	14.80
Stelux	4.35	4.28
Swire Pac A	20.50	20.50
Tai Cheung Props	4.38	4.40
TVE	1.03	1.03
Wharf Hold	8.25	8.25
Wing On Co	7.35	7.40
Winsor Ind.	8.25	8.15
World Int'l	4.28	4.25

Hang Seng Index : 3250.44
Previous : 3246.21

Johannesburg

	Close	Prev.
AECI	17.75	17.75
Altech	65.50	65.50
Anglo Amer	107.50	108
Barlows	36.25	36
Blyvoor	9.50	9.50
Buffels	48.50	49
GFSA	73.50	73.50
Harmony	22	22.50
Highveld Steel	17.75	17.25
Kloof	32.50	32.75
Nedbank Grp	10.50	10.50
Rusplat	82	83.50
SA Brews	37.50	37.50
St Helena	31	31
Sasol	12.20	12.50
Welkom	19	19
Western Deep	106.50	105

Composite Stock Index : 2941
Previous : 2967

London

	Close	Prev.
Allied Lyons	4.89	4.96
Anglo Am Gld	N.Q.	43
AA Corp	N.Q.	14.50
Asda-MFI Gp	1.21	1.16
Ass Brit Foods	4.08	4.07
Barclays	4.02	4.04
Bass	10.94	10.95
B.A.T.	6.50	6.42
Blue Circle	2.52	2.47
BOC Group	5.90	5.93
Boots	2.98	2.97
Bowater	5.27	5.27
BAe	5.33	5.20
BAA	4.39	4.44
Brit Airways	2.16	2.15
British Gas	2.20	2.20
BP	3.24	3.25
British Steel	1.50	1.50
Brit Telecom	4.59	2.98
BTR	4.30	4.30
Burmah Oil	6.38	6.43
Cable Wire	5.43	5.50
Cadbury Sch	3.50	3.63
Charter Cons	4.67	4.70
Comm Union	5.22	5.19
Cookson	2.12	2.10
Courtaulds	3.62	3.65
Dalgety	3.79	3.78
De Beers	N.Q.	—
Dixons	1.52	1.50
Driefontein	N.Q.	5.45
Eurotunnel	4.43	4.38
Fisons	3.58	3.53
Gen Acc F	11.05	11.07
GEC	1.96	1.99
GKN	4.12	4.12
Glaxo	N.A.	8
Grand Met	6.70	6.67
Gt Univ Stores	13.50	13.50
GRE	2.43	2.41
Guinness	7.92	7.94
Hanson Tr	2.44	2.43
Hawker Sidd	6.60	6.63
ICI	11.87	11.80
Kingfisher	3.63	3.54
Land Sec	4.93	4.98
Legal Gen Grp	4.14	4.10
Lloyds Bank	2.88	2.85
Lonrho	2.52	2.52
Lucas Ind	1.58	1.56
Marks Sp	2.39	2.37
Maxwell	2.01	2.02
MB Group	2.09	2.20
Midland Bk	2.95	2.97
NatWest	3.38	3.34
Pearson Grp	7.70	7.68
P and O	6.43	6.33
Pilkington	2.07	2.10
Prudential	2.29	2.28
Racal Elec	2.01	2.06
Randfontein	N.Q.	2.45
Rank Org	8.55	8.50
Reed Int'l	4.62	4.58
Reuters	12.65	12.75
Rolls Royce	2.15	2.14
Royal Dutch	N.Q.	43.88
RTZ	5.67	5.65
Saatchi	0.86	0.88
Sainsbury	2.87	2.84
Sears Holds	0.99	0.98
Shell	4.60	4.61
Skbeec	5.45	5.36
STC	2.50	2.42
Std Chart Bk	4.71	4.85
Storehouse	1.30	1.28
Sun Alliance	3.31	3.29
Tate and Lyle	3.09	3.08
Tesco	2.18	2.17
Thorn EMI	7.80	7.73
T.I. Group	5	5.05
Trafalgar Hse	3.18	3.15
THF	3.01	2.99
Ultramar	3.32	3.34
Unilever	6.88	6.87
Utd Biscuits	3.48	3.52
Vickers	2.23	2.23
War Loan 3½	33.43	33.38
Wellcome	6.25	5.99
Woolworth	19.81	19.69

F.T. 30 Index : 1713.00
Previous : 1708.38
F.T.S.E. 100 Index : 2378.50
Previous : 2378.30

Madrid

	Close	Prev.
Bco. Bilbao/Viz.	3170	3010
Banco Central	4905	4895
Bco. Santander	5030	4835
Banesto	3790	3675
CEPSA	2110	2075
Dragados	3325	3315
Iberduero	682	677
Telefonica	878	884

S.E. General Index : 289.38
Previous : 286.81

Milan

	Close	Prev.
Banca Comm	5195	5120
Bastogi	324.75	318
Cigahotels	5990	5960
CIR	5660	5700
Cred Ital	2700	2664
Enimont	1465	1450
Eridania	9460	9550
Ferruzzi Fin.	2983	3017
Ferruzzi Agr.	2785	2770
Fiat SPA	10380	10310
Generali	43950	43900
IFI	28700	28700
Italcem	1515a	1510a
Italgas	2941	2935
Italmobiliare	2200a	2199a
Mediobanca	20725	20510
Montedison	2070	2063
Olivetti	6900	6880
Pirelli	2795	2800
RAS	26900	26450
Rinascente	7795	7800
Saipem	2835	2800
SIP	1651	1652
SME	4599	4570
Snia	2730	2730
Standa	31800	31800
Stet	6655	6599
Toro Assi Risp	26450	26840

a: x 100.
MIB current index : 1089.30
Previous : 1092.20

Montreal

	Close	Prev.
Alcan Aluminum	26¼	N.Q.
Bank Montreal	27⅛	27⅜
Bell Canada	39⅝	39⅝
Bombardier A	17¾	18
Bombardier B	N.Q.	17⅞
Cambior	11	11⅛
Cascades	3.85	3.80
Dominion Text A	11¼	11⅛
Donohue	N.Q.	—
MacMillan Bl	18⅛	18
Memotec	8½	8½
Nat'l Bk Canada	9½	9⅝
Noverco	15	15
Power Corp.	14½	14⅝
Provigo	8⅞	8⅞
Quebec Tel	13⅞	14⅛
Quebecor A	12	12¼
Quebecor B	10⅞	10⅞
Videotron	13	13⅜

Industrials Index : 1622.81
Previous : 1638.37

Paris

	Close	Prev.
Accor	N.A.	—
Air Liquide	790	774
Avions Dassault	501	512
Bancaire (Cie)	592	585
BIC	668	645
Bongrain	3350	3370
Bouygues	650	650
BSN-GD	867	865
Carrefour	3549	3512
Cerus	378.50	367.60
C.G.E.	628	623
Chargeurs	1030	1022
Club Med	608	604
Dumez	603	585
Elf-Aquitaine	684	666
Europe 1	1330	1325
Gen. Eaux	2707	2668
Hachette	327.80	328.10
Havas	640	635
Imetal	360	368
Lafarge Coppee	466.80	466.80
Legrand	4470	4468
Oreal (L')	5400	5490
L.V.M.H.	4475	4399
Matra	370	370
Merlin Gerin	6160	6000
Michelin B	108.20	110.50
Moulinex	108.50	115
Occidentale	767	770
Paribas	645	633
Pernod-Ricard	1215	1204
Perrier	1571	1557
Peugeot	826	805
Printemps (Au)	650	655
Radiotechnique	701	696
Raff. St. Louis	1522	1520
Redoute (La)	3345	3365
Roussel Uclaf	2280	2255
Saint Gobain	569	562
Sanofi	983	980
Skis Rossignol	1035	1020
Ste Generale A	559	552
Suez	436.60	437
Telemecanique	4980	4990
Thomson-CSF	120.60	124
Total	677	677
Valeo	555	555

CAC 40 Index : 1931.73
Previous : 1987.98

Sao Paulo

	Close	Prev.
Banco do Brasil	15.50	15.20
Bradesco	0.86	0.85
Brahma	2.85	2.80
Paranapanema	0.73	0.73
Petrobras	133	133
Vale Rio Doce	25.70	25.70
Varig	14	13.20

Bovespa Index : 15996
Previous : 15789

Singapore

	Close	Prev.
City Dev.	3.60	3.66
DBS	13.70	13.70
Fraser Neave	9.30	9.15
Genting	9.35	9.30
Harrisons Plant	1.60	1.60
Haw Par	2.77	2.77
Hume	3.56	3.54
Inchcape	5.35	5.35
Keppel	7	7.85
KL Kepong	2.87	2.86
Lum Chang	1.45	1.43
Malayan Banka	8.60	8.60
OCBC	8.35	8.40
OUB	5.75	5.55
OUE	9.15	9.10
Sembawang	7.15	6.95
Shangrila	8.80	8.80
Sime Darby	2.89	2.92
SIA	13.10	13.10
S'pore Land	14.80	14.80
S'pore Press	7.75	7.85
Sing Steamship	3.48	3.66
Straits Trading	3.30	3.30
UOB	5.55	5.55
United Overseas	2.15	2.17

Straits Times Ind. : 1532.38
Previous : 1533.57

Sydney

	Close	Prev.
ANZ	4.90	4.81
BHP	9.48	9.38
Bond	0.15	0.15
Boral	3.45	3.42
Bougainville	0.90	0.92
Coles Myer	7.76	7.72
Comalco	4.10	4.18
CRA	12.30	12.20
CSR	5.40	5.36
Dunlop	5.10	5.06
Elders IXL	1.74	1.77
ICI Australia	4.70	4.64
Magellan	1.60	1.60
MIM	2.32	2.30
Nat Aust Bank	6.44	6.34
News Corp	11.20	11.20
N Broken Hill	2.45	2.45
Poseidon	2.30	2.35
QCT Resources	1.43	1.44
Santos	4.15	4.17
TNT	2.67	2.67
Western Mining	4.58	4.53
Westpac Banking	4.66	4.58
Woodside	2.90	2.86

All ordinaries Index : 1512.50
Previous : 1505.60

Tokyo

	Close	Prev.
Akai Electr	1020	1040
Asahi Chemical	903	903
Asahi Glass	1810	1850
Bank of Tokyo	1470	1500
Bridgestone	1490	1500
Canon	1790	1790
Casio	1570	1600
C.Itoh	818	832
Dai Nippon Print	1870	1900
Daiwa House	2400	2430
Daiwa Securities	1490	1530
Fanuc	7100	7060
Fuji Bank	2650	2670
Fuji Photo	4270	4340
Fujitsu	1380	1400
Hitachi	1490	1520
Hitachi Cable	1740	1790
Ito Yokado	3860	3910
Japan Air Lines	18100	18000
Kajima	1910	1940
Kansai Power	3480	3510
Kawasaki Steel	566	589
Kirin Brewery	1870	1910
Komatsu	1140	1160
Kubota	970	986
Kyocera	8030	8020
Matsu Elec Inds	2070	2100
Matsu Elec Wks	2010	2000
Mitsubishi Bk	2450	2470
Mitsubishi Kasei	755	760
Mitsubishi Elec	955	965
Mitsubishi Hev	1000	1010
Mitsubishi Corp	1450	1440
Mitsui and Co	933	945
Mitsukoshi	1800	1820
Mitsumi	1468	1520
NEC	1940	1970
NGK Insulators	1470	1470
Nikko Securities	1260	1280
Nippon Kogaku	1650	1640
Nippon Oil	1320	1330
Nippon Steel	576	584
Nippon Yusen	868	882
Nissan	1080	1120
Nomura Sec	2270	2320
NTT (SF)	9964	10050
Olympus Optical	1570	1550
Pioneer	6100	6130
Ricoh	1090	1110
Sanyo Elec	923	943
Sharp	1840	1850
Shimazu	1160	1170
Shinetsu Chem	1720	1710
Sony	8570	8530
Sumitomo Bk	2490	2510
Sumitomo Chem	669	670
Sumi Marine	1040	1070
Sumitomo Metal	575	580
Taisei Corp	1320	1320
Taisho Marine	1050	1060
Takeda Chem	1710	1720
TDK	6780	6750
Teijin	728	726
Tokyo Marine	1400	1420
Tokyo Elec Pw	4380	4380
Toppan Printing	1780	1780
Toray Ind.	780	790
Toshiba	1070	1070
Toyota	2560	2570
Yamaichi Sec	1270	1270

Nikkei 225 : 31695
Previous : 32087
Topix Index : 2341
Previous : 2362

Toronto

	Close	Prev.
Abitibi Price	15¼	15⅛
Agnico Eagle	8.10	8
Air Canada	10	9⅞
Alberta Energy	16	N.Q.
Am Barrick Res	20¾	20⅞
BCE	39½	39⅝
BCED	0.36	0.36
Bk Nova Scotia	13½	13⅝
BC Gas	14⅞	14⅝
BC Phone	18¼	18⅛
BP Canada	18⅛	18⅛
Bramalea	12⅛	12⅛
Brunswick	8⅛	8⅞
CAE	6⅛	6⅛
Campeau	1.46	1.85
CIBC	26⅝	27⅛
Canadian Pacific	20⅝	20⅞
Can Packers	12⅛	12⅛
Can Tire A	20⅝	20⅝
Cantor	28	27½
Cara	16¼	N.Q.
CCL Ind B	9⅛	9¼
Cineplex	5⅞	5½
Cominco	26¼	26½
Conwest Expl A	N.Q.	—
Corona A	7	7⅛
Denison Min B	1.28	1.21
Dickenson Min A	4.35	4.35
Dofasco	23¼	23⅛
Dylex A	3.85	4
Echo Bay Mines	14½	14⅝
Equity Silver A	1.55	1.60
FCA Int'l	10⅝	N.Q.
Fed Ind A	13¼	14
Fletcher Chall A	15⅝	15⅝
FPI	5	4.90
GoldCorp	4.40	4.30
Gulf Cda Res	15½	15¼
Hees Int'l	24½	24½
Hemlo Gld Mines	12⅛	12½
Hollinger	12⅛	12⅛
Horsham	10½	10⅝
Hudson Bay	N.Q.	—
Imasco	35⅞	36
Inco	32	31⅞
Interhome	48¼	49¼
Jannock	15⅞	15⅞
Labatt	21⅛	21⅞
Loblaw Co	16⅛	16⅛
Mackenzie	7⅛	7⅛
Magna Int'l A	3½	3.40
Maritime	16½	16⅛
Mark Res	11⅛	11⅛
MacLean Hunt X	9½	9⅛
Molson A	39	38⅞
Noma Ind A	8	7⅞
Noranda	20⅛	20⅛
Noranda Forest	11½	11⅛
Norcen Energy	24⅛	24⅛
Nova Corp	8⅛	8⅝
Oshawa	31⅛	31⅛
Pagurin A	7⅛	7⅛
Placer Dome	17⅛	17⅛
Poco Petroleum	6⅝	6¼
PWA Corp	9⅛	10
Quebec Sturgeon	0.85	N.Q.
Rayrock	8	7⅛
Renaissance	14	13⅞
Rogers B	8⅛	8⅛
Rothmans	N.Q.	—
Royal Bank Can	22⅛	23
Royal TrustCo	14⅛	14⅛
Sceptre Res	3.65	3.70
Scott's Hosp	N.Q.	14⅝
Seagram	98	97⅛
Sears Can	11⅛	11⅛
Shell Can	38⅛	38⅛
Sherritt Gordon	N.Q.	—
SHL Systemhse	8⅛	8⅛
Southam	25⅝	25⅛
Spar Aerospace	8½	8½
Stelco A	16½	16⅛
Teck B	22⅞	23⅛
Thomson News	15⅞	15⅞
Toronto Domn	17	17⅛
Torstar B	27⅞	27⅛
Transalta Util	12½	12⅛
TransCda Pipe	16¼	16⅛
Trilon Finl A	17⅞	17⅞
Trimac	6⅞	6⅞
Trizec A	18¾	18⅞
Turbo Resources	0.45	0.44
Unicorp A	N.Q.	2⅛
Woodward's Ltd	1⅛	N.Q.

TSE 300 Index : 3498.80
Previous : 3524.70

Zurich

	Close	Prev.
Adia Intl	1550	1530
Alusuisse	1380	N.A.
Bank Leu	2450	2460
Brown Boveri	5950	5950
Ciba Geigy	3430	3400
CS Holding	N.A.	2450
Elektrow	3530	3490
Fischer	2210	2210
Interdiscount	4190	4180
Jacobs Suchard	8300	7800
Jelmoli	2300	2270
Landis Gyr	1465	1450
Moevenpick	5700	5500
Nestle	8725	8775
Oerlikon-B	990	985
Pargesa Hld	1510	1510
Roche Holding B	4248	4180
Sandoz	2210	2150
Schindler	N.A.	—
Sulzer	775	775
Surveillance	5760	5450
Swissair	990	980
SBC	312	311
Swiss Reinsur	619	611
Swiss Volksbank	1620	1620
Union Bank	3570	3540
Winterthur	4200	4130
Zurich Ins	2130	2110

SBS Index : 677.80
Previous : 670.90

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U.S. / AT THE CLOSE

Bond Holders Take Trump to Court

PHILADELPHIA (Reuters) — Two holders of bonds tied to Donald J. Trump's casinos in Atlantic City filed a class action suit in a federal court in New Jersey on Friday charging that they were misled about Mr. Trump's financial condition.

The lawsuit was brought last week by Jerome Schwartz and Sidney Kaufman of Cincinnati, who invested in bonds issued to finance Trump Castle and Taj Mahal casinos.

The suit said that Mr. Trump assured bondholders that he would be able to make interest payments on the bonds.

Excalibur Automobiles Come to Halt

MILWAUKEE (AP) — Excalibur Automobile Corp., manufacturer of neoclassic automobiles fancied by wealthy collectors, suspended production Friday after being rocked by layoffs and lawsuits.

The suburban Milwaukee company, whose cars feature a minimum price tag of $75,000, said a restructuring will raise enough capital to move forward with a planned venture in Japan.

The company, which posted sales last year of $3.5 million, has $2.1 million in outstanding loans, owes $97,000 in overdue property taxes and thousands more in debts to unpaid workers and vendors.

Quaker Plans Big Reorganization

CHICAGO (Reuters) — Quaker Oats Co. said Friday that sales and earnings for its fiscal year ending June 30 are expected to be flat to slightly lower than last year. Final results will be reported in early August.

Quaker also said it will reorganize the structure of its largest business, U.S. grocery products, to provide more decentralization of the marketing research, human resources and financial functions.

In addition, a separate frozen foods division will be created.

Honeywell Withdraws Minolta Case

RAMSEY, New Jersey (Reuters) — Minolta Camera Co. said Friday that Honeywell Inc. had withdrawn an International Trade Commission complaint accusing the Japanese company of violating its patent on autofocus technology.

Classy Garfinckel's Forced To Seek Chapter 11 Refuge

Compiled by Our Staff From Dispatches

WASHINGTON — Garfinckel's Inc., the Washington institution that symbolized elegant retailing for 85 years, filed for bankruptcy protection Thursday, falling victim to a devastating combination of fierce competition, heavy debt and a decade of zigzagging strategies.

Garfinckel's said it would liquidate the inventories at its nine stores and had immediately laid off 200 of its 850 employees.

"It has become increasingly apparent over the past six months that Garfinckel's does not have the economies of scale, given its reduced revenue base and market share since 1987, to be a competitive retailer in this marketplace," Garfinckel's chairman and chief executive George Kelly said in a statement.

Although investors rescued the company from a financial crisis in 1988 by recruiting new management and providing funding, "it is clear that the company cannot produce the cash flow necessary to meet its financial obligations," he said.

The retailer attributed part of its woes to the fact that it had changed hands five times since the early 1980s, resulting in different marketing strategies that "significantly impaired" its image among customers. It is at present owned by group headed by Middle Eastern financier Wafic Said.

Garfinckel's said it filed for Chapter 11 bankruptcy protection on Thursday at the federal bankruptcy court in Washington.

(WP, Reuters)

U.S. FUTURES

Via Associated Press June 22

Grains

Season High	Season Low		Open	High	Low	Close	Chg.
WHEAT (CBT) 5,000 bu minimum-dollars per bushel							
3.85	3.26	Jul	3.38¾	3.40	3.33½	3.33¾	—.04½
3.73	3.31½	Sep	3.41	3.41¼	3.36¼	3.36¼	—.04
3.88	3.45½	Dec	3.55	3.55	3.50¾	3.50½	—.03¾
3.85	3.51	Mar	3.60½	3.61½	3.56	3.56¼	—.03¾
3.73	3.45	May	3.55½	3.56	3.53	3.54¼	+.00¾
3.63	3.30	Jul				3.48	
Est. Sales		Prev. Sales 11,562					
Prev. Day Open Int. 63,138 off 724							
CORN (CBT) 5,000 bu minimum-dollars per bushel							
2.93¾	2.31	Jul	2.85	2.85	2.81½	2.82	—.03
2.91	2.29	Sep	2.82¼	2.83¼	2.79¾	2.80	—.02¼
2.87¼	2.22	Dec	2.81½	2.81½	2.77¼	2.77¾	—.03
2.92¾	2.41	Mar	2.86¼	2.87¼	2.83¼	2.84	—.03
2.96	2.49¾	May	2.90¼	2.90¾	2.87½	2.87¾	—.02¾
2.98	2.63	Jul	2.93	2.93	2.89½	2.89¾	—.02¼
2.83¼	2.65	Sep	2.77	2.77½	2.77	2.77¼	—.02¼
2.75	2.59	Dec	2.71½	2.71¾	2.65¼	2.65½	—.06½
Est. Sales		Prev. Sales 41,109					
Prev. Day Open Int.245,443 off 1,401							
SOYBEANS (CBT) 5,000 bu minimum-dollars per bushel							
7.31	5.78	Jul	6.05	6.05½	5.96¼	5.99½	—.03¼
7.05	5.78	Aug	6.13	6.13	6.02½	6.05½	—.04¼
6.76	5.68	Sep	6.17	6.17	6.07½	6.10	—.06
6.82	5.64½	Nov	6.26	6.26	6.15½	6.19	—.04
6.91	5.87	Jan	6.35	6.35½	6.27½	6.29¾	—.04¼
7.01	5.65½	Mar	6.45½	6.46	6.38½	6.42	—.03
7.06	6.14½	May	6.54¼	6.54¼	6.49	6.51	—.03
7.11	6.39	Jul	6.61½	6.61½	6.55	6.56	—.03
6.59	6.51	Aug				6.56	—.04
6.51	6.30	Nov	6.45	6.45	6.43	6.43	—.02
Est. Sales		Prev. Sales 35,292					
Prev. Day Open Int.116,030 off 1,637							
SOYBEAN MEAL (CBT) 100 tons-dollars per ton							
208.00	167.80	Jul	175.00	175.20	172.80	173.90	—.70
198.00	170.10	Aug	176.90	176.90	174.50	175.40	—1.00
200.00	171.50	Sep	178.90	178.90	176.20	176.80	—1.30
200.00	173.80	Oct	180.80	180.80	178.00	179.00	—1.10
205.50	174.00	Dec	184.20	184.50	181.50	182.20	—1.40
204.00	178.00	Jan	184.50	185.00	183.00	183.20	—1.30
212.00	181.00	Mar	186.80	187.50	185.80	186.50	—1.00
208.00	184.50	May	188.50	189.00	187.50	188.50	—.50
209.00	186.00	Jul	190.00	190.00	189.50	189.70	—1.30
Est. Sales		Prev. Sales 13,627					
Prev. Day Open Int. 69,385 off 642							
SOYBEAN OIL (CBT) 60,000 lbs-dollars per 100 lbs.							
25.80	19.50	Jul	24.20	24.22	23.88	24.00	—.16
25.15	19.50	Aug	24.08	24.08	23.78	23.86	—.20
24.80	19.50	Sep	23.95	23.95	23.71	23.76	—.17
24.35	19.65	Oct	23.75	23.80	23.55	23.61	—.09
24.12	19.75	Dec	23.60	23.60	23.40	23.53	—.04
23.95	19.81	Jan	23.30	23.40	23.38	23.37	—.03
23.81	19.82	Mar	23.20	23.25	23.15	23.15	+.05
23.70	20.15	May	23.10	23.10	22.96	22.96	+.01
23.70	21.05	Jul				22.76	+.06
		Aug				22.75	+.05
Est. Sales		Prev. Sales 14,878					
Prev. Day Open Int.103,499 off 812							

Livestock

Season High	Season Low		Open	High	Low	Close	Chg.
CATTLE (CME) 40,000 lbs.-cents per lb.							
74.92	69.12	Aug	73.87	73.97	73.25	73.27	—.78
76.85	68.30	Oct	75.42	75.45	74.75	74.87	—.73
76.60	71.00	Dec	75.50	75.50	74.80	74.85	—.62
76.15	72.50	Feb	75.00	75.05	74.60	74.65	—.45
77.00	74.15	Apr	76.00	76.10	75.60	75.70	—.50
74.60	72.75	Jun	73.00	73.00	72.70	72.77	—.30
Est. Sales 15,822		Prev. Sales 14,347					
Prev. Day Open Int. 71,908 up 767							
FEEDER CATTLE (CME) 44,000 lbs.-cents per lb.							
85.97	78.50	Aug	85.35	85.35	84.65	84.75	—.67
84.95	78.00	Sep	84.05	84.30	83.60	83.75	—.57
84.25	78.20	Oct	83.55	83.65	83.20	83.32	—.43
84.40	79.80	Nov	83.65	83.70	83.50	83.57	—.23
84.05	79.75	Jan	83.40	83.50	83.25	83.45	—.30
82.75	80.90	Mar	82.30	82.30	82.20	82.30	—.20
82.50	81.35	Apr	82.20	82.20	82.00	82.00	—.40
82.40	81.70	May	82.10	82.10	81.90	81.90	—.25
Est. Sales 1,424		Prev. Sales 1,202					
Prev. Day Open Int. 10,784 up 147							
HOGS (CME) 30,000 lbs.-cents per lb.							
63.42	43.70	Aug	57.15	58.00	56.85	57.95	+.78
55.70	40.80	Oct	50.90	51.55	50.62	51.47	+.40
55.45	44.25	Dec	50.10	50.62	49.85	50.47	+.20
52.95	45.25	Feb	47.90	48.30	47.65	48.25	
48.80	45.15	Apr	45.60	45.75	45.40	45.70	—.15
51.85	48.80	Jun	49.00	49.00	48.80	48.90	—.10
Est. Sales 10,816		Prev. Sales 16,917					
Prev. Day Open Int. 40,588 up 113							
PORK BELLIES (CME) 40,000 lbs.-cents per lb.							
71.60	39.55	Jul	59.40	59.40	59.40	59.40	—2.00
69.15	39.30	Aug	57.67	57.67	57.67	57.67	—2.00
63.65	48.07	Feb	54.50	55.40	54.35	55.17	—1.18
62.95	50.30	Mar	54.25	54.90	53.95	55.00	—.95
63.00	56.60	May	54.60	55.00	54.60	55.50	—1.10
Est. Sales 3,047		Prev. Sales 3,452					
Prev. Day Open Int. 12,467 off 498							

Food

Season High	Season Low		Open	High	Low	Close	Chg.
COFFEE C (NYCSCE) 37,500 lbs.-cents per lb.							
132.25	74.85	Jul	86.00	86.80	84.50	85.65	—1.00
120.00	77.25	Sep	89.00	89.55	87.30	88.10	—1.20
109.50	81.00	Dec	92.25	92.65	90.50	91.20	—1.55
116.75	83.00	Mar	95.00	95.50	93.25	94.30	—1.55
123.00	91.25	May	97.50	97.50	95.50	96.38	—1.40
110.00	92.75	Jul	99.50	100.00	98.30	98.50	—2.00
108.90	101.50	Sep	102.00	102.00	100.50	100.58	—2.50
Est. Sales 7,368		Prev. Sales 7,573					
Prev. Day Open Int. 39,055							
SUGAR-WORLD 11 (NYCSCE) 112,000 lbs.-cents per lb.							
16.27	10.55	Jul	12.50	12.61	12.45	12.49	—.09
16.13	10.40	Oct	12.43	12.50	12.25	12.34	—.11
15.22	11.65	Mar	12.04	12.08	11.95	12.00	—.05
15.05	11.65	May	11.99	12.05	11.93	11.97	—.04
14.90	11.56	Jul	11.93	11.94	11.89	11.94	+.07
14.40	.72	Oct	11.80	11.80	11.80	11.80	
Est. Sales 15,794		Prev. Sales 232,490					
Prev. Day Open Int.157,913							
COCOA (NYCSCE) 10 metric tons-$ per ton							
1525	921	Jul	1195	1199	1163	1172	—13
1541	941	Sep	1210	1210	1174	1194	—10
1558	965	Dec	1238	1238	1203	1208	—3
1581	985	Mar	1268	1268	1240	1268	—3
1572	1000	May	1277	1295	1265	1280	—1
1590	1060	Jul	1290	1313	1290	1295	—10
1515	1303	Sep				1310	—13
Est. Sales 7,914		Prev. Sales 8,898					
Prev. Day Open Int. 49,033							
ORANGE JUICE (NYCE) 15,000 lbs.-cents per lb.							
205.50	123.00	Jul	180.50	185.00	178.50	183.90	+4.75
202.00	123.50	Sep	172.25	174.95	171.00	173.40	+1.75
199.50	124.00	Nov	167.50	170.00	166.80	168.50	+1.70
191.00	125.00	Jan	166.00	167.00	165.25	166.00	+.45
190.50	160.00	Mar	165.70	167.00	165.70	166.00	+.45
190.00	158.00	May	165.70	165.70	165.70	165.60	+1.10
180.00	180.00	Jul				165.60	+1.10
Est. Sales		Prev. Sales 2,617					
Prev. Day Open Int. 10,845							

Metals

Season High	Season Low		Open	High	Low	Close	Chg.
HI GRADE COPPER 25,000 lbs.-cents per lb.							
123.00	95.20	Jun	111.50	112.50	111.50	112.35	+1.35
119.25	93.25	Jul	111.28	111.70	110.70	111.20	+.40
113.50	95.00	Aug	110.30	110.50	110.30	110.50	+.50
113.30	92.50	Sep	109.20	109.70	108.70	109.10	+.50
109.50	94.50	Oct				107.80	+.45
107.70	94.50	Nov				106.60	+.45
110.00	91.50	Dec	105.20	105.90	105.10	105.30	+.40
105.00	94.00	Jan				104.25	+.30
103.60	99.50	Feb				102.90	+.30
104.50	92.30	Mar	101.30	101.30	101.30	101.70	+.30
101.00	99.85	Apr				101.20	+.30
103.40	97.00	May	100.50	100.50	100.50	100.40	+.30
99.70	96.75	Jul				99.25	+.30
97.75	97.05	Sep				98.35	+.30
96.50	96.05	Dec				97.15	+.30
		Jan				96.15	+.30
96.50	96.50	Mar				95.35	+.30
Est.Sales 5,800		Prev.Sales 7,020	Prev.Day Open Int. 27,805				Chg. unch
ALUMINUM (COMEX) 40,000 lbs.-cents per lb.							
75.00	75.00	Jun				73.00	
95.50	66.00	Jul				73.00	
75.00	75.00	Aug				73.00	
76.00	74.50	Sep				73.00	
75.00	75.00	Dec				73.00	
75.00	75.00	Jan				73.00	
75.00	75.00	Mar				73.00	
75.00	75.00	May				73.00	
75.00	75.00	Jul				73.00	
		Sep				73.00	
75.00	75.00	Dec				73.00	
75.00	75.00	Jan				73.00	
75.00	75.00	Mar				73.00	
Est. Sales		Prev. Sales					
Prev. Day Open Int. 6							
SILVER (COMEX) 5,000 troy oz.-cents per troy oz.							
524.0	474.0	Jun				481.3	—1.1
761.5	476.2	Jul	481.5	484.0	479.0	482.0	—1.2
511.0	511.0	Aug				485.8	—1.2
760.0	484.5	Sep	490.0	491.5	487.0	489.9	—1.3
742.0	494.5	Dec	501.5	503.5	498.0	501.0	—1.2
688.0	499.0	Jan				504.3	—1.2
665.0	506.0	Mar	513.0	513.0	511.0	511.7	—1.2
647.0	514.0	May	518.2	520.5	518.2	519.0	—1.2
667.5	522.0	Jul	526.0	526.0	526.0	526.4	—1.2
654.0	530.0	Sep	534.0	535.0	534.0	534.3	—1.2
623.5	540.0	Dec	545.0	545.0	545.0	545.7	—1.2
596.0	550.0	Jan				549.1	—1.2
613.0	565.0	Mar				557.8	—1.2
Est. Sales 16,000		Prev. Sales 8,925					
Prev. Day Open Int.106,609							
PLATINUM (NYME) 50 troy oz.-dollars per troy oz.							
556.00	465.00	Jul	477.50	480.80	477.00	479.00	—1.00
560.50	473.00	Oct	484.00	487.00	483.00	484.70	—1.40
551.00	484.00	Jan	488.50	488.50	488.50	490.00	—1.60
554.50	488.20	Apr				495.00	—1.90
528.50	495.00	Jul				500.50	—1.40
Est. Sales		Prev. Sales 2,142					
Prev. Day Open Int. 15,945							
PALLADIUM (NYME) 100 troy oz.-dollars per oz							
175.00	113.50	Jun	112.40	112.40	112.40	112.15	—.45
149.50	113.25	Sep	114.75	114.75	113.75	114.05	—.45
147.00	114.75	Dec	116.00	116.00	115.50	115.35	—.45
142.00	116.50	Mar				116.65	—.45
125.25	118.25	Jun				118.35	—.45
Est. Sales		Prev. Sales 129					
Prev. Day Open Int. 5,328							
GOLD (COMEX) 100 troy oz.-dollars per troy oz.							
497.00	346.00	Jun	347.50	351.20	348.00	350.40	—.30
379.50	356.00	Jul				350.70	—.30
487.00	348.20	Aug	351.70	354.00	350.80	352.80	—.30
472.00	352.50	Oct	355.80	357.70	353.50	357.20	—.30
455.50	357.00	Dec	359.80	362.60	359.70	361.40	—.40
457.50	362.00	Feb	364.80	366.20	364.80	366.10	—.50
460.00	364.20	Apr				370.50	—.50
464.20	372.00	Jun	375.00	375.00	375.00	375.00	—.50
468.00	375.00	Aug				379.50	—.50
476.00	385.00	Oct				384.20	—.40
483.00	385.50	Dec				388.90	—.40
433.00	392.00	Feb	393.00	393.00	393.00	393.80	—.40
412.50	396.50	Apr				398.60	—.40
Est. Sales 25,000		Prev. Sales 16,009					
Prev. Day Open Int.116,444							

Financial

Season High	Season Low		Open	High	Low	Close	Chg.
US T. BILLS (IMM) $1 million-pts of 100 pct.							
93.65	91.18	Jun	92.27	92.28	92.24	92.24	—.02
93.65	91.28	Sep	92.48	92.49	92.44	92.44	—.02
93.32	91.61	Dec	92.51	92.52	92.46	92.47	—.02
93.20	91.66	Mar				92.50	+.03
92.70	91.52	Jun	92.42	92.42	92.38	92.38	+.03
92.34	91.60	Sep				92.48	
Est. Sales		Prev. Sales 1,972					
Prev. Day Open Int. 20,000 up 136							
10 YR. TREASURY (CBT) $100,000 prin-pts & 32nds of 100 pct							
100-14	92-24	Sep	96-11	96-17	96-9	96-13	+2
97	94-9	Dec	96-10	96-11	96-8	96-10	+2
96-23	94-20	Mar				96-7	+2
Est. Sales		Prev. Sales 17,874					
Prev. Day Open Int. 75,116 off 1,717							
US TREASURY BONDS (CBT) (8 pct-$100,000-pts & 32nds of 100 pct)							
100-4	79-1	Sep	93-17	93-23	93-12	93-15	+1
99-24	80	Dec	93-8	93-13	93-4	93-6	+1
99-12	79-21	Mar	93-1	93-5	92-30	92-31	+1
99-4	82-18	Jun	92-28	92-28	92-23	92-24	+1
99-5	86-4	Sep	92-17	92-18	92-17	92-18	+1
98-20	87-19	Dec	92-11	92-12	92-11	92-12	+1
98-13	87-18	Mar				92-7	+1
97-19	87-19	Jun				92-2	+1
92-12	87-14	Sep				91-29	+1
Est. Sales		Prev. Sales 215,517					
Prev. Day Open Int.273,482 off 4,039							
MUNICIPAL BONDS (CBT) $1000x index-pts & 32nds of 100 pct							
95-11	86-21	Sep	90-14	90-16	90-8	90-14	+3
91-2	86-30	Dec	89-27	89-29	89-27	89-29	+3
Est. Sales		Prev. Sales 1,548					
Prev. Day Open Int. 5,928							
EURODOLLARS (IMM) $1 million-pts of 100 pct.							
92.39	88.74	Sep	91.74	91.76	91.72	91.74	+.03
92.15	89.85	Dec	91.65	91.68	91.64	91.67	+.04
92.01	89.96	Mar	91.62	91.65	91.61	91.62	+.03
91.85	89.91	Jun	91.44	91.47	91.43	91.44	+.02
91.83	90.04	Sep	91.32	91.33	91.29	91.30	+.01
91.78	90.04	Dec	91.15	91.17	91.14	91.15	+.01
91.82	90.09	Mar	91.10	91.12	91.09	91.10	+.01
91.74	90.35	Jun	91.00	91.03	90.99	91.00	+.01
91.72	90.32	Sep	90.94	90.94	90.92	90.92	
91.53	90.24	Dec	90.81	90.81	90.78	90.79	
91.65	90.28	Mar	90.77	90.77	90.75	90.75	
91.51	90.27	Jun	90.67	90.68	90.66	90.66	+.01
91.47	90.27	Sep	90.62	90.62	90.61	90.61	+.01
91.37	90.22	Dec	90.55	90.55	90.54	90.55	+.01
90.77	90.24	Mar	90.57	90.57	90.55	90.55	+.01
90.53	90.47	Jun	90.53	90.53	90.51	90.51	+.01
Est. Sales		Prev. Sales 98,421					
Prev Day Open Int.622,041 up 6,175							

Currencies

Season High	Season Low		Open	High	Low	Close	Chg.
BRITISH POUND (IMM) $ per pound-1 point equals $0.0001							
1.7700	1.5290	Sep	1.7040	1.7100	1.7002	1.7068	+96
1.6740	1.5640	Dec	1.6780	1.6850	1.6760	1.6818	+96
Est. Sales		Prev. Sales 6,303					
Prev. Day Open Int. 32,760 up 144							
CANADIAN DOLLAR (IMM) $ per dlr-1 point equals $0.0001							
.8470	.8093	Sep	.8403	.8403	.8355	.8380	—13
.8420	.8050	Dec	.8295	.8296	.8250	.8278	—14
.8365	.7990	Mar	.8200	.8200	.8180	.8199	—15
.8399	.7995	Jun	.8126	.8126	.8104	.8124	—16
.8150	.7985	Sep				.8056	—17
Est. Sales		Prev. Sales 4,855					
Prev. Day Open Int. 27,380 up 968							
GERMAN MARK (IMM) $ per mark-1 point equals $0.0001							
.6155	.5825	Sep	.5955	.5980	.5948	.5973	+8
.6150	.5769	Dec	.5958	.5976	.5950	.5966	+8
.6140	.5830	Mar				.5962	+8
Est. Sales		Prev. Sales 17,370					
Prev. Day Open Int. 47,459 off 739							
JAPANESE YEN (IMM) $ per yen-1 point equals $0.000001							
.007390	.006268	Sep	.006473	.006479	.006466	.006471	—9
.007060	.006290	Dec	.006489	.006489	.006479	.006482	—12
.006705	.006315	Mar				.006510	
Est. Sales		Prev. Sales 14,363					
Prev. Day Open Int. 45,355 up 964							
SWISS FRANC (IMM) $ per franc-1 point equals $0.0001							
.7202	.6050	Sep	.7054	.7097	.7050	.7074	+6
.7197	.5600	Dec	.7055	.7083	.7050	.7071	+6
.7165	.6580	Mar	.7065	.7065	.7065	.7078	+5
.6970	.6916	Sep				.7097	+6
Est. Sales		Prev. Sales 13,240					
Prev. Day Open Int. 32,531 off 238							

Industrials

Season High	Season Low		Open	High	Low	Close	Chg.
LUMBER (CME) 150,000 bd. ft.-$ per 1,000 bd. ft.							
207.70	177.50	Jul	206.60	206.70	205.20	205.80	—.80
207.10	192.00	Sep	206.50	206.70	203.30	205.40	—1.30
203.10	189.90	Nov	202.60	202.70	201.80	202.30	—.40
205.50	186.30	Jan	204.50	204.50	204.50	205.50	—.20
206.10	191.00	Mar	204.50	204.50	204.50	205.00	—.50
206.60	196.50	May	206.50	206.50	204.00	204.50	—1.00
Est. Sales 502		Prev. Sales 879					
Prev. Day Open Int. 4,360 off 26							
COTTON 2 (NYCE) 50,000 lbs.-cents per lb.							
82.56	63.70	Jul	82.00	82.50	80.35	82.50	+2.00
77.85	63.95	Oct	77.40	77.75	77.20	77.60	+.05
74.09	62.80	Dec	73.71	74.00	73.45	73.59	—.25
74.75	63.82	Mar	74.20	74.75	74.20	74.47	+.02
74.95	64.40	May	74.50	74.75	74.50	74.77	+.02
77.40	65.67	Jul				74.33	—.07
69.00	67.70	Oct				69.49	—.01
67.95	67.25	Dec	68.25	68.25	68.25	68.00	+.25
Est. Sales 8,500		Prev. Sales 6,389					
Prev. Day Open Int. 38,156							
HEATING OIL (NYME) 42,000 gal-cents per gal							
57.20	46.30	Jul	48.35	48.85	48.25	48.45	+.54
57.40	47.20	Aug	48.60	49.30	48.50	49.00	+.73
58.00	48.00	Sep	50.10	50.80	50.05	50.50	+.77
58.50	50.30	Oct	51.25	51.80	51.25	51.70	+.80
59.40	51.15	Nov	52.50	52.85	52.50	52.80	+.76
60.15	52.70	Dec	53.35	54.25	53.35	54.10	+1.03
60.40	53.25	Jan	53.80	54.50	53.80	54.50	+.95
60.00	53.00	Feb	53.50	54.00	53.45	54.00	+.80
56.75	51.30	Mar	52.20	52.20	52.10	52.10	+.70
53.90	50.00	Apr	50.40	50.60	50.40	50.60	+.80
51.80	48.80	Jun	49.21	49.21	49.21	49.21	+.81
Est. Sales		Prev. Sales 16,774					
Prev. Day Open Int.116,786							
CRUDE OIL (NYME) 1,000 bbl.-dollars per bbl.							
21.43	16.39	Aug	17.07	17.50	17.01	17.49	+.55
21.52	16.50	Sep	17.97	18.02	17.61	17.98	+.44
21.46	16.50	Oct	18.10	18.50	18.04	18.47	+.45
21.48	17.30	Nov	18.50	18.70	18.44	18.63	+.34
21.50	12.80	Dec	18.77	18.99	18.75	18.95	+.37
21.45	17.87	Jan	18.96	19.20	18.95	19.10	+.23
21.35	18.15	Feb	19.12	19.28	19.12	19.28	+.27
21.43	18.40	Mar	19.22	19.40	19.20	19.30	+.18
21.56	18.03	Apr	19.33	19.45	19.26	19.45	+.23
21.45	18.03	May	19.50	19.50	19.45	19.45	+.15
21.45	16.45	Jun	19.55	19.55	19.48	19.48	+.10
21.45	17.08	Jul	19.60	19.60	19.60	19.40	+.15
20.95	19.49	Sep	19.80	19.80	19.75	19.75	+.16
20.62	19.63	Oct	19.80	19.80	19.80	19.80	+.14
20.20	19.82	Dec	19.92	19.92	19.92	19.92	+.12
Est. Sales		Prev. Sales 79,968					
Prev. Day Open Int.280,301 up 56,186							

Stock Indexes

Season High	Season Low		Open	High	Low	Close	Chg.
SP COMP. INDEX (CME) points and cents							
374.90	329.00	Sep	367.00	368.45	358.50	360.15	—6.75
378.90	333.50	Dec	371.40	373.00	363.50	364.70	—6.95
383.20	343.30	Mar	367.50	367.50	367.50	369.70	—6.95
Est. Sales		Prev. Sales 36,275					
Prev. Day Open Int.106,618 up 1,885							
VALUE LINE (KCBT) points and cents							
297.90	272.00	Sep	290.30	290.60	284.00	285.15	—5.15
302.10	279.30	Dec	288.70	288.70	288.65	288.65	—5.75
Est. Sales		Prev. Sales 22					
Prev. Day Open Int. 1,231							
NYSE COMP. INDEX (NYFE) points and cents							
209.00	181.00	Sep	200.00	200.90	195.50	196.20	—3.80
206.50	185.75	Dec	202.30	202.60	198.30	198.60	—3.80
206.00	193.15	Mar				200.95	—3.80
		Jun				203.30	—3.80
Est. Sales		Prev. Sales 7,107					
Prev. Day Open Int. 4,620							

Commodity Indexes

	Close	Previous
Moody's	1,132.00 f	1,141.00 f
Reuters	1,834.10	1,834.40
D.J. Futures	130.66	131.07
Com. Research	233.77	234.70

Moody's : base 100 : Dec. 31, 1931.
p - preliminary; f - final
Reuters : base 100 : Sep. 18, 1931.
Dow Jones : base 100 : Dec. 31, 1974.

Market Guide

CBT:	Chicago Board of Trade
CME:	Chicago Mercantile Exchange
IMM:	International Monetary Market Of Chicago Mercantile Exchange
NYCSCE:	New York Cocoa, Sugar, Coffee Exchange
NYCE:	New York Cotton Exchange
COMEX:	Commodity Exchange, New York
NYME:	New York Mercantile Exchange
KCBT:	Kansas City Board of Trade
NYFE:	New York Futures Exchange

2,500 Jobs May Be Cut By Michelin

Reuters

PARIS — The French tire manufacturer Michelin & Co. is likely to announce 2,500 job cuts at the beginning of next week, according to a company source.

Most of the reductions will be made in Clermont Ferrand, in central France, where about 21,000 of the group's 37,000 workers are employed, the source said.

A senior official at the Clermont Ferrand town hall said, "We are looking at 2,500 layoffs." Both the official and the company source asked not to be named.

Officials of Michelin declined to comment on the reports. Michelin said in February that it would review costs and cut investments in the face of slowing worldwide demand for tires.

Earlier this week, market analysts in France downgraded their forecasts for Michelin's 1990 results. Some analysts now predict that the group will report a net profit for 1990 of 1.5 billion francs ($265 million). Last month they forecast a profit of around two billion francs, compared with 2.4 billion francs last year.

Michelin shares closed Friday at 108.20 francs on the Bourse in Paris, down 2.30 francs from the close of 110.50 francs the day before.

Olivetti Proposes to Lay Off 3,000

Reuters

IVREA, Italy (Reuters) — Olivetti SpA faces a "difficult year" and plans to trim its work force by about 3,000 people this year through early retirement and government-subsidized layoff programs, the company chairman, Carlo De Benedetti, said Friday.

Mr. De Benedetti said at a news conference after the company's annual meeting that the cuts, which could reach as high as 3,500, were part of the company's efforts to contain costs.

They would be made in all divisions of the company, he said, but he did not elaborate. Olivetti employs about 57,000 people.

Mr. De Benedetti declined to make a 1990 profit forecast. He said, "We realize that 1990 will be another difficult year, especially taking into account the penalizing effect of the lira's current exchange rate on Italian exporters." He added that "we are on the right road."

Regarding possible industrial alliances, Mr. De Benedetti said, "It is a moment in which everybody is talking with everybody else," Mr. De Benedetti said, adding that Olivetti has had talks with all "the principal European producers."

He said Olivetti expected to conclude a joint venture in Japan before the end of the year but he did not expand on the tie-up.

Asked to comment on why Olivetti's talks collapsed with Philips NV, Mr. De Benedetti said he agreed with statements made recently by Philips officials that the Dutch electronics group first had to turn around its computer businesses.

"First they have to put their house in order," Mr. De Benedetti said.

At the general meeting, Mr. De Benedetti said turnover in the first five months of 1990 rose 7.1 percent to 3.18 trillion lire ($2.5 billion) and orders rose 13.2 percent to 3.71 trillion lire over the period.

He said the company's performance was encouraging but the lira's strength this year will result in a "grave loss of competitiveness" for the company due to its high dependence on exports.

Export Boost Cuts U.K. Trade Deficit

Reuters

LONDON — Increased exports and strong demand for banking and tourism services helped Britain cut its yawning current account deficit by £300 million pounds ($517.2 million) in May to £1.3 billion.

The monthly figures, issued by the Central Statistical Office on Friday, came as a welcome boost for Chancellor of the Exchequer John Major after a series of bleak data on the British economy.

Although May's figures left Britain's trade balance still well in the red, they showed a steady improvement in the country's trade performance, helped last month by record export sales of £8.92 billion.

On the foreign exchange market the pound firmed slightly in response to the figures, which were in line with the more optimistic forecasts from financial analysts.

The current account gap in May reflected a trade deficit of £1.5 billion, better than April's revised £1.8 billion gap. The overall current account gap for April was also revised down to £1.6 billion.

May's trade imbalance was offset by a £200 million surplus in invisibles such as banking.

"The volume of exports of manufactured goods, excluding erratics, in the three months to May was up 14 percent on a year earlier, a very good export performance indeed," a Treasury spokesman said.

But the opposition Labor Party said the figures were little cause for celebration and showed a serious imbalance in Britain's economy.

The figures also showed imports rising faster than exports over the three months to the end of May but the spokesman said this was not part of a trend but an "erratic" phenomenon.

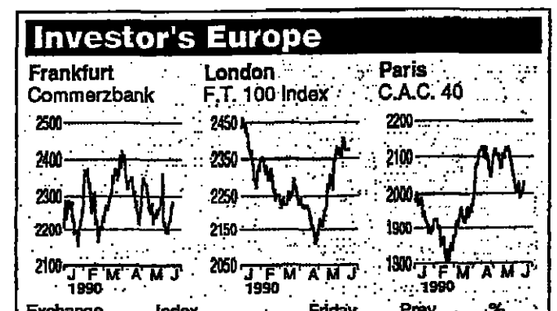
Mr. Major has said he wants to bring Britain's annual current account deficit down to £15 billion from £19 billion last year.

Other figures released on Friday showed that the British economy was growing faster than analysts had thought. Gross domestic product expanded by 0.7 percent in May compared with an expected rise of 0.3 percent.

Analysts said continued high interest rates would probably be needed to keep the economy in check. In a speech on Friday Mr. Major insisted that interest rates would remain high to combat inflation.

"We need to reduce these pressures. That is why we have had to maintain a tight fiscal stance with high interest rates," he told a meeting of women members of the ruling Conservative party. "We must continue that policy until we get inflation down."

Investor's Europe



Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	CBS Trend	120.50	120.30	+0.17
Brussels	Stock Index	6249.47	6263.36	-0.22
Frankfurt	Commerzbank	2286.20	2270.60	+0.69
Frankfurt	DAX	1872.92	1863.57	+0.50
Helsinki	UNITAS	N.A.	563.40	
London	Financial Times 30	1913.00	1908.30	+0.25
London	FT-SE 100	2378.50	2370.30	+0.35
Madrid	General Index	289.30	286.81	+0.87
Milan	MIB	1089.30	1092.20	-0.27
Paris	CAC 40	2031.73	2007.98	+1.18
Stockholm	Affaersvaerlden	N.A.	1296.00	
Zurich	SBS	677.00	670.90	+0.91

Sources: AFP — International Herald Tribune

Nissan Dealerships Open in East Germany

The Associated Press

TOKYO — Nissan Motor Co. on Friday began selling passenger and commercial vehicles in East Germany, the first Japanese automaker to do so through its own dealers, a company spokesman said.

The spokesman said the move followed sales and service contracts signed recently between dealers and Nissan Motor Deutschland GmbH, the company's distributor in West Germany.

Thirty-six Nissan dealerships officially opened Friday, and that number is expected to expand to 60 or 70 by year's end.

Prior to the establishment of Nissan's East German dealer network, Japanese automakers have exported a small number of cars to the country.

The spokesman said Nissan is targeting its sales of new cars in East Germany at 2,000 vehicles for the first year. The company currently sells about 100,000 cars and trucks through its 800-dealer network in West Germany.

The company said the establishment of Nissan dealerships in East Germany was partly to accommodate the service needs of Nissan owners from the West. The number of visitors traveling to East Germany has been increasing since the removal of travel restrictions.

Denmark Cuts Rates To Curb Strong Krone

Reuters

COPENHAGEN — Denmark's central bank cut its key interest rates Friday by half a percentage point because of a substantial foreign currency inflow and the krone's relatively strong position in the European Monetary System.

The rate on loans to financial institutions moves to 10.5 percent, and the deposit rate becomes 9.5 percent. The bank said it is also raising the little-used discount rate by half a point to 8.5 percent.

The bank has already cut its two key rates twice this year, each time by half a point. The last reduction was on April 27, the one before that on March 23.

The bank said the increase in the discount rate was part of a plan to bring the rate more into line with short-term market rates.

The bank last raised its discount rate, by a full point, on March 23, the first change since October 1983. A central bank spokeswoman noted then that the rate was no longer used as an instrument of monetary policy.

The rate cut Friday had virtually no immediate effect on the Danish krone because it had been widely expected in the market, said John Jensen, treasurer at Den Danske Bank.

"There has been a big export of Danish bonds this month, which has tended to push the krone higher," Mr. Jensen said. "This cut has just stabilized the krone, and it might have risen further if the rates had not been cut."

Bond dealers also said the rate cut was no surprise, and local bond prices rose only slightly. The benchmark bond, the 20-year 9 percent mortgage bond due 2006, rose to 93.72 from 93.55.

Den Danske Bank said in a recent economic analysis that the krone had risen by some 8 percent against the currencies of Denmark's main trading partners so far this year. Several leading exporters have said they expect 1990 profits to be depressed by the strong krone.

The currency's strength has helped bring in foreign currency and raised foreign exchange reserves to 57.9 billion kroner at the end of May from 48.6 billion at the end of 1989, after net foreign-debt repayments of 3.2 billion kroner.

The krone's firmness has also helped reduce consumer price inflation, giving Denmark one of the lowest inflation rates in the European Community.

Shortly before the rate cuts were announced, the National Statistics Office said the year-to-year inflation rate in May was 2.4 percent.

AIR: *EC to Block Sabena Venture*

(Continued from page 1)

they regroup to take on the big U.S. carriers.

"Brittan's view of air transport seems to be a whole lot of medium-sized companies all competing in Europe. It fails to take into account the realities of competition from the U.S. giants," said one critic within the commission.

Some sources said Sir Leon also wanted KLM to pull out of the agreement altogether to ensure that competition between Brussels and the airline's home base of Amsterdam was maintained, although this would not appear in the statement of objections.

Mr. Van Miert also opposed Sir Leon on this point, arguing that it was not for the commission to dictate how many companies should be involved in a joint venture, the sources said.

Several European carriers are forging alliances to strengthen themselves against increased competition as the European Community moves toward deregulation of the industry.

A recent example of such pacts was the linkup announced last week between Swissair and Scandinavian Airlines System.

On a wider scale, Swissair has signed a cooperation accord with Austrian Airlines and FinnAir, and has discussed ties with Delta Air Lines of the United States and Singapore Airlines.

KLM's withdrawal from the venture would be a serious setback for Sabena, which is widely thought to have invited the Dutch airline into the venture to limit the influence of BA.

Sabena transferred its air transport operations into the Sabena World Airways unit and brought in the two other carriers to face the deregulated post-1992 European Community market.

Sources said that the commission would agree on some form of statement of objections at Wednesday's meeting, and that its scope would depend on how the differences between Sir Leon and Mr. Van Miert were resolved.

Pathe Raises Offer to Gain Time for MGM Deal

By Richard W. Stevenson
New York Times Service

LOS ANGELES — Giancarlo Parretti, the Italian financier whose attempt to acquire MGM/UA Communications Co. has been on the brink of collapse in recent days, said he has reached an agreement with MGM that will give him four more months to come up with the cash he needs to complete the deal.

Mr. Parretti's Pathe Communications Corp. said the deadline for closing the transaction would be extended to Oct. 23, from Saturday.

Under the new terms, holders of MGM's common and preferred stock would receive $21.50 a share, or about $1.3 billion, up from $20 under the previous agreement, to compensate them for the delay.

Shareholders would receive a payment of $4 a share, or about $250 million, on July 20. This would essentially be a nonrefundable deposit that would not require shareholders to give up an interest in the company. The remaining $17.50 would be paid on or before the October deadline.

The new agreement, announced on Thursday, is the latest twist in Mr. Parretti's faltering attempts to establish himself as a force in the film business by acquiring MGM/UA. Industry executives have long been skeptical about Mr. Parretti's ability to raise money to complete the deal.

The extension is also an embarrassment to Kirk Kerkorian, the investor who controls 79 percent of MGM/UA's shares and who has been trying unsuccessfully to sell the company for two years.

Mr. Parretti has secured $650 million in financing from Time Warner Inc. for the deal in return for the right to distribute Pathe and MGM films. But that agreement requires that he contribute $450 million of equity to the deal, rather than bank financing or other debt, and Mr. Parretti has yet to arrange financing in a way that meets that demand.

Although there were widespread rumors that Time Warner was backing out of the deal or that Mr. Parretti was seeking a partner to replace Time Warner, Time Warner executives said their agreement with Pathe was still in place.

"We assume that the purpose of obtaining the extension was to be able to continue negotiating with us," said Marilyn Harris, spokeswoman for Time Warner.

Mr. Parretti has so far raised about $370 million through Comfinance SA, a holding company he controls in Luxembourg. Comfinance has said the finances are a combination of bank loans and asset sales.

Mr. Parretti has argued that the $370 million should be considered equity as far as Pathe is concerned, because under the terms of its agreement with Comfinance, Pathe could repay the advance in Pathe stock.

In addition to raising the price, Mr. Parretti had to make other concessions to MGM/UA to keep the deal alive.

To provide added security for MGM shareholders, Mr. Parretti agreed to place an additional $100 million into an escrow account in two installments in August and September.

The $4-a-share payment next month will be financed in part by the $200 million in cash that Pathe had deposited into the escrow account as security for the original deal. Pathe will be required to pay an additional $53 million into the account to finance the $4 payment.

MGM continues to insist that it is conducting business as usual, but with all the uncertainty about its future, its film production and distribution activities have fallen off.

NASDAQ

Friday's Prices

NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

AMEX

Friday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Chg
A										
10⅛	8⅝	AIM Str	1.08	13.1	—	148	8⅝	8⅛	8¼	—
4¼	1⅝	AIM Tel			—	17	1⅝	1⅝	1⅝	
12⅞	6⅜	AMC			120	74	8½	8⅜	8⅜	— ⅛
3	1⅝	AOI	.05e	2.5	—	18	2	1⅞	2	
[illegible]										

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s). b — annual rate of dividend plus stock dividend. c — liquidating dividend. cld — called. d — new yearly low. e — dividend declared or paid in preceding 12 months. g — dividend in Canadian funds, subject to 15% non-residence tax. i — dividend declared after split-up or stock dividend. j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k — dividend declared or paid this year, an accumulative issue with dividends in arrears. n — new issue in the past 52 weeks. The high-low range begins with the start of trading. nd — next day delivery. P/E — price-earnings ratio. r — dividend declared or paid in preceding 12 months, plus stock dividend. s — stock split. Dividend begins with date of split. sls — sales. t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u — new yearly high. v — trading halted. vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd — when distributed. wi — when issued. ww — with warrants. x — ex-dividend or ex-rights. xdis — ex-distribution. xw — without warrants. y — ex-dividend and sales in full. yld — yield. z — sales in full.

ADVERTISEMENT

INTERNATIONAL FUNDS

June 22, 1990

Quotations supplied by funds listed. Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price.
The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (r) - regularly; (t) - twice weekly; (m) - monthly

ABC INVESTMENT & SERVICES CO (E.C)
(m) ABC FUTURES FUND LTD $ 100.56
ABN BANK LDN. P.O. Box 448, Amsterdam
(w) ABN-Aandelenfonds FL 79.15
(w) ABN-Beleggingsfds Ned. FL 63.23
(w) Aldollar $ 21.60
(w) Alrenta FL 155.50
(w) America-Fund (LE) $ 170.67
(w) Asian Tigers Fund $ 35.42
(w) LDC Risk Inv.fund $ 1659.34
(w) Trans Europe Fund FL 86.56
(w) Trans Europe Fund $ 45.33
AIG FUND MANAGEMENT LTD.
(d) AIG Amer.Eq.Trust $ 25.49
AL-MAL BANK LIMITED.
(w) Investment Units $ 106.45
(w) Currency Units $ 108.61
ALPHA ASSET MANAGEMENT LTD.
(m) Alpha Arbitrage Fund $ 265.32
(m) Alpha Futures Fund Ltd. $ 122.76
(m) Alpha Global Fund $ 624.88
(m) Alpha Hedge Fund $ 332.15
(m) Alpha Pacific Fund Ltd. $ 268.19
(m) Alpha Short Fund Ltd. $ 102.44
(m) Curran-Alpha Hlth Care Fd. $ 268.10
(m) Nicholas-Applegate Hoe Fd $ 108.90
(w) Heisei Japan Fund Y 15917.00
(w) Nicholas-Applegate Aurelia. $ 146.72
ARRAL ASSOCIATES LTD
(w) Arral Int'l hedge Fund $ 87.16
(w) Arral Asian fund $ 128.18
BANK JULIUS BAER & CO. Ltd.
(d) Baerbond SF 875.08
(d) Conbar SF 1726.00
(d) Equibaer America $ 1897.00
(d) Equibaer Europe SF 1634.00
(d) Equibaer Pacific SF 1168.00
(d) Stockbar SF 2065.00
(d) SFR-BAER SF 981.00
(d) Swissbar SF 2471.00
BA GATEWAY FUND
(b) Belgium Fixed Income BFr 10037.00
(b) Germany Fixed Income DM 97.68
(b) Netherlands Fixed Income FL 99.59
(b) US Dollar Fixed Income US$ 102.29
(b) Japan Equity US$ 84.05
(b) Pacific Equity US$ 100.90
(b) Intl Portfolio 'A' US$ 101.95
(b) Intl Portfolio 'B' ECU 100.14
BAII MULTICURRENCY
(r) Multicurrency US$ $ 1,271.58
(r) Multicurrency Ecu ECU 1,195.90
(r) Multicurrency Yen Y 278,182.00
(r) Multicurrency FFR FF 11,048.41
BNP INTERFUNDS
BNP LUXEMBOURG
(w) INTERBOND FUND. $ 201.36
(w) INTERBELGIAN. FB 59,747.00
(w) INTERECU FUND 'A' ECU 250.42
(w) INTERECU FUND 'B' ECU 1047.80
INTER CASH
(t) France Securite. FF 12,479.47
(t) France Monetaire. FF 18,721.39
(t) ECU ECU 1,383.70
(t) US$ $ 1,042.14
(t) DM DM 2,119.60
(t) GBP £ 1,052.87
(t) FRF FF 14,522.98
(t) France Capital. FF 11,617.92
INTER OPTIMUM
(w) BEF/LUF FB 72,021.00
(w) Multidevises DM DM 2,018.02
(w) US$ $ 1,001.32
(w) FRF FF 10,451.26
INTER STRATEGIE
(w) France. FF 10,520.55
(w) Europe du Nord. £ 1,042.25
(w) Europe du Centre. DM 2,317.79
(w) Europe du Sud. ECU 1,127.26
(w) Japan. YEN 144,264.00
(w) Amerique du Nord $ 1,076.76
(w) Sud-Est Asiatique. $ 1,038.60
BNP JERSEY
INTER CURRENCY
(w) US$ $ 11.5611
(w) DM DM 32.3479
(w) GBP £ 12.0195
(w) International Managed. $ 11.3851
INTER EQUITY
(w) French Offer. $ 18.53
(w) Pacific Offer. $ 25.17
(w) North American Offer. $ 12.72
(w) European Class. $ 11.26
(w) Australia Class. $ 9.76
BANQUE BELGE ASSET MGMT FUND
Share Distributor Guernsey 0481 726614
(w) Int'l Equity Fund (Sicav) $ 12.01
(w) Int'l Bond Fund (Sicav) $ 11.13
BANQUE INDOSUEZ
(w) Asian Growth Fund $ 36.85
(w) Asian Income Fund $ 8.76
(m) Dual Futures Fd. Class A Units $ 103.24
(m) Dual Futures Fd. Class B Units $ 103.33
(m) Dual Futures Fd. Class C Units $ 98.88
(m) Dual Fut. Fd. Class D Units $ 99.48
(w) Diverbond SF 76.20
(w) The Dragon Fund Sicav $
(w) FIF Int. Switz. SF 103.98
(w) FIF-Internat. Div.A $ 19.89
(w) FIF-Internat. Div.B $ 20.93
(w) FIF Internat.America $ 14.46
(w) FIF Internat.Pacific $ 50.06
(w) FIF Internat.Europe $ 33.96
(w) FIF Internat.Japan Y 1,797.00
(w) FIF Intl.S'pore+Malaysia SG$ 10.11
(w) FIF Int. Nat. Res. A $ 12.81
(w) FIF Int. Nat. Res. B $ 12.32
(w) France International FF 98.41
(w) France Blue chips No 1 FF 134,931.45
(m) Galaxy Futures Fd Ltd $ 110.54
(w) Gestion Selective FF 4,714.06
(w) Indosuez Mult. Div. A $ 131.52
(w) Indosuez Mult. Div.B $ 292.37
(w) Indosuez Multibonds US$ $ 109.11
(w) Indosuez Multibonds YEN Y 10,224.00
(w) Indosuez Mult. DM DM 104.25
(w) IPI-A-3 $ 1120.00
(w) Malacca Fund $ 16.65
(w) Manila Fund $ 8.26
(w) The Siam Fund $ 25.95
(w) Pacific Gold Fund $ 11.37
BANQUE PRIVEE E. DE ROTHSCHILD
(w) Daiwa Capital E. Fund $ 995.97
(w) Daiwa LCF Rothschild $ 1066.57
(w) Ecu D'Or ECU 80.10
(w) Hispano Int'l Fund ECU 10.74
(b) Pri-Tech $ 1171.78
(b) Source Sicav $ 11.74
BANQUE E. DE ROTHSCHILD LUX. SA
(b) Cursitor BP Fixed Inc.Fund DM108.15
(b) Cursitor BP General Fund DM137.13
(b) Eagle Fund LF 9506.00
(b) Europe Japan Fund $ 10.30
(b) Governm. Sec. Fund $ 68.84
(w) Leicom $ 2797.22
(b) Opportunities Fund $ 907.97

(b) Prifirst $ 561.87
(b) Priroo fund DM 53.66
(w) Rente Plus BF 4864.00
(t) Select. Horizon Dev. FF 55856.05
(t) Select. Horizon FF FF 80198.83
(b) Star Conv.Fund FL FL 10,465.00
(b) Star Conv.Fund USD $ 106.94
BANQUE SCANDINAVE EN SUISSE-GENEVA
(w) Interbond Chf. SF 70.72
(w) Intelsec Chf. SF 1727.14
(w) Universal Intelbond $
(w) Universal Intelsec $
(w) Universal Intelbond FF
BROADGATE INTERNATIONAL FUND
(d) $ Money Market $ 13.36
(d) Non-$ Money Market DM 32.30
(d) $ Bond $ 13.73
(d) Non-$ Bond DM 30.26
(d) European Equities $ 10.51
(d) Global Equity $ 18.38
(d) Global Bond $ 14.01
(d) Global Bond & Equity $ 15.17
(d) Pacific Equities $ 10.01
(d) Prec. Mets/Min. Secs $ 6.04
B.W MANAGED ASSETS CY. SICAV
(t) Global Bond Fund ECU 10.25
(t) European Securities Fd. ECU 14.28
(t) French Securities Fund FF 136.46
(t) North American Secu.Fund $ 12.97
(t) Pacific Basin Secu. Fund $ 8.93
CAISSE CENTRALE DES BANQUES POP.
(d) Fructilux Obl. Fses FF 6,026.55
(d) Fructilux-Obl.Euro ECU 1,114.86
(d) Fructilux-Act.Fses FF 7,796.03
(d) Fructilux-Act.Euro ECU 1,383.14
(d) Fructilux court terme FF 6,167.12
CALLANDER
(w) Callander Emer. Gr. $ 121.89
(w) Callander F-Asset $ 99.40
(w) Callander F-Austria AS 1,573.66
(w) Callander F-Spanish. Ptas 9,524
(w) Callander Swiss Gr. SF 158.60
CAPITAL INTERNATIONAL
(w) Capital Int'l Fund $ 96.76
(w) Capital Italia SA $ 43.09
CCF - GAMMA
(w) CM Actibonds $ 35.44
(w) CM Global Growth $ 11.06
(w) Elysees Court Terme FF 61,676.43
(w) Elysees Long Terme FF 56,605.62
(w) Elysees Monetaire FF 64,173.22
(w) EMF Sterlings (A & B) £ 542.65
(w) EMF Dutch Gul.(A&B) FL 1024.77
(w) EMF D-Mark (A&B) DM 998.99
(w) EMF Ecu (A & B) ECU 1,069.60
(w) EMF US Dollar (A & B) $ 1,112.77
(w) EMF Yen (A & B) YEN 100393.00
(d) Europe Prest. Fd A ECU 10.88
(d) Europe Prest. Fd B ECU 12.79
(w) Euro. Smlr Cos. Fd.A ECU 15.19
(w) Euro. Smlr Comp.Fd.B ECU 15.19
CDC INTERNATIONAL
(w) CFI Court Terme FF 126,006.40
(w) CFI Long Terme FF1110,711.14
CIC GROUP
(d) Oblicic Monetaire FF 12266.39
(d) Oblicic Court Terme FF 12234.85
CITICORP INVESTMENT BANK (Lux.)
POB 1373 Luxembourg Tel. 477.95.71
(d) Citicurrencies USD $ 1386.07
(d) Citicurrencies Managed $ 116.00
(d) Citinvest Ecu Income ECU 1365.53
(d) Citinvest Manag. Growth $ 1243.98
(d) Citi.Mana.Growth Euro ECU 1082.96
(d) Citinvest Selector $ 938.99
(d) Citinvest Guardian $ $ 1107.85
(d) Citinvest Guard. Euro ECU 1082.96
(d) Citiport N.A Equity $ 163.01
(d) Citiport Jap. Equity Yen 10,226.00
(d) Citiport UK Equity £ 120.75
(d) Citiport S.Asian Eq. $ 112.03
(d) Citiport Cont.Euro. Eq. ECU 157.17
(d) Citiport N.A.S Bond $ 116.53
(d) Citiport Euro Bond ECU 105.37
(d) Citiport AS.Pac.Bd. YEN 11,034.00
CITITRUST
(w) US. $ Equities $ 221.40174
(w) US. $ Bonds $ 12.46853
(w) US. $ Money Market $ 13.33425
(w) Citiland $ 930.86443
(w) Citiperformance Pfl S.A $ 10.38547
(w) Global Equities. $ 9.38000
(w) Global Money Market. $ 12.30000
(w) Global Bonds. $ 11.22000
(w) C.Croissance Fr.Suisse SF 2048.44
COMPASS INT'L HOLDINGS Ltd.
POB 455, Jersey 0534 27267
(w) Bond:Dollar Medium Term $ 10.94
(w) Bond:Ecu Multicur. ECU 10.21
(w) Equity:United Kingdom £ 10.17
CREDIT SUISSE (ISSUE PRICES)
(d) CSF Bonds SF 75.50
(d) Bond Valor Swf SF 96.40
(d) Bond Valor US-DOLLAR $ 122.50
(d) Bond Valor D-mark DM 101.06
(d) Bond Valor Yen Y 9,982.00
(d) Bond Valor £ Sterling £ 91.42
(d) Convert Valor Swf SF 148.05
(d) Convert Valor US-DOLLAR $ 191.89
(d) CSF International SF 133.00
(d) Actions Suisses SF 627.25
(d) Europa-Valor SF 232.50
(d) Energie-Valor SF 161.00
(d) Canasec SF 546.00
(d) Ussec SF 749.00
(d) Pacific-Valor SF 157.25
(d) CS Eu. Blue Chips A DM 277.79
(d) CS Eu. Blue Chips B DM 277.79
(d) CS Gold Valor $ 129.80
(d) CS Ecu Bond A ECU 97.45
(d) CS Ecu Bond B ECU 120.63
(d) CS Euro Finance Fd.'A' DM 250.10
(d) CS Euro Finance Fd 'B' DM 250.11
(d) CS Europa Bond 'A' DM 242.43
(d) CS Europa Bond 'B' DM 265.22
(d) CS Gulden Bond A FL 94.57
(d) CS Gulden Bond B FL 110.97
(d) CS Hispano Iberia Fd 'A' PTS 25,823.00
(d) CS Hispano Iberia Fd 'B' PTS 354.60
(d) CS Prime Bond 'A' DM 88.89
(d) CS Prime Bond 'B' DM 100.54
(d) CS Short-T. Bd DM A DM 95.79
(d) CS Short-T. Bd DM B DM 122.60
(d) CS Short-T. Bd $ A $ 100.27
(d) CS Short-T. Bd $ B $ 122.23
(d) CS Money Market Fund $ 1512.89
(d) CS Money Market Fund DM 1301.60
(d) CS Money Market Fund £ 1670.72
(d) CS Money Market Fd Yen Y 121112.00
(d) CS Tiger Fund $ 686.58
DIT INVESTMENT FFM
+(d) Concentra DM 52.71
+(d) Int'l Rentenfond DM 71.64
EBC TRUST CO.(JERSEY) LTD.
1-3 Sale St. St. Helier:0534-36331

EBC AMRO TRADED CURRENCY FUND.
@(d) Inc.: Bid $ 13.72 Offer $ 14.286
@(d) Cap.: Bid $ 21.43 Offer $ 22.289
INTERNATIONAL INCOME FUND
(d) Short Term 'A' (Accum) $ 0.9032
(d) Short Term 'A' (Distr) $ 0.5868
(d) Short Term 'B' (Accum) $ 1.2984
(d) Short Term 'B' (Distr) $ 0.9254
(w) Long Term $ 32.4576
ELDERS EUROPE - Guernsey - (0481) 26268
(m) Elders Eur.Futures Fund $ 9674.11
ELDERS SECURITIES INC.
W. Rafter, (212) 573-0440
(d) EFF $ 327.72
(d) ESP $ 164.39
ELDERS SWITZ.(022) 25 17 25
(w) Elders Int Bld SF 105.25 Offer SF 114.50
(w) Elders Aus Bld A$ 86.75 Offer a$ 94.00
EQUIFLEX LIMITED
(w) Europe A FL 12.28
(w) North America A FL 10.00
(w) UK Equities £ 10.14
(w) UK Small Co. £ 7.94
EURO PACIFIC ADVISERS Ltd.
(w) Meteore Y 123,175.00
(w) Pacific Horizon Invt. Fd $ 2317.47
FOREIGN & COLONIAL MGT. LTD.
1, Laurence Pountney Hill, EC4 01-623-4680
(w) Amer.Smaller Cos.Eq.Pfl. $ 11.66
(d) Ecu Bond Pfl ECU 10.27
(w) Oriental Equity Pfl. $ 11.00
(w) European Equity Pfl. $ 15.74
(w) Nordic Equity Pfl. $ 16.26
(w) Amer. Mgt. Equity Pfl. $ 9.97
(d) Western Pac. Equity Pfl. $ 11.72
(d) Mediterranean Equity Pfl. $ 12.06
(d) British Equity Portfolio $ 10.21
(d) U.S.$ Sh. Term Asset Pfl. $ 10.03
(d) Sterling Sh. Term Asset Pfl. £ 10.20
(d) North American Bond Pfl. $ 10.09
(d) Multi-Currency Bond Pfl. $ 10.87
(d) Sterling Bond Portfolio £ 9.83
FIDELITY INT'L INV. MGMT (LUX) S.A.
(d) New Europe Fund $ 12.07
(d) Fidelity Conv. Sec. Portf. $ 10.14
FIDELITY POB 670, Hamilton Bermuda
(m) Fid.Amer.Val.II Com. $ 98.23
(m) Fid.Amer. Val.III Com. $ 64.34
(m) Fid.Amr.Val.III Cum.Pref $ 102.05
(d) Fidelity Amer. Assets $ 138.49
(d) Fidelity Australia Fund $ 15.87
(d) Fidelity Dir. Svgs.Tr. $ 174.00
(d) Fidelity Pacific Fund $ 364.54
FIDELITY INT'L SERVICE (LUX.)
(d) Balanced Portfolio-hedged $ 9.74
(d) Balanced Portfolio-unhedg $ 11.06
(d) Fidelity Discovery Fund $ 17.57
(d) Fidelity Far East Fund $ 73.58
(d) Fidelity Frontier Fund $ 22.80
(d) Fidelity Global Ind. Fd $ 14.38
(d) Fidelity Global Selct Fd $ 14.77
(d) Fidelity Int'l. Fund $ 15.63
(d) Fidelity Orient Fund $ 109.42
(d) Fidelity Spcl. Growth Fd. $ 39.61
(d) Fidelity World Fund $ 70.87
FIDELITY INT'L (CI) LTD.
FIDELITY PERFORM PORTFOLIOS LTD.
(d) American Portfolio $ 1.06
(d) European Portfolio $ 2.05
(d) Japan Portfolio $ 1.33
(d) South East Asian Portfolio $ 1.24
(d) U.K. Portfolio $ 1.14
(d) Intl. Bond Portfolio $ 0.91
(d) Sterling Liquidity Pfl. £ 10.00
(d) Dollar Liquidity Portfolio $ 10.04
FINAFUTURES (BVI) Ltd
(w) Portofolio (est.) $ 0.98
FOKUS BANK A.S. 472 428 555
(w) Scanfonds Int'l growth fd $ 1.79
GAIA CURRENCY HEDGE FUNDS
(w) Gaia Hedge I $ 111.70 Red $ 111.22
(w) Gaia Hedge II $ 206.49 Red $ 206.40
GARTMORE FUND MANAGERS INT.
45, La Motte Street, JERSEY 0534 27301
CAPITAL STRATEGY FD. LTD.
(d) American $ 1.757
(d) Canadian fund Cant 0.8779
(d) British £ 2.334
(d) European Fund DM 6.506
(d) Eastern European Fd DM 5.398
(d) Asia Pacific Fd $ 2.349
(d) Japan Fund Y 720.90
(d) Australasian Fund £ 0.3348
(d) Global Resources Fund $ 0.8068
(d) Emerging Markets Fund $ 1.436
(d) International growth $ 2.983
(d) Sterling Bond £ 1.0000
(d) E.C.U. Bond Fund ECU 0.9341
(d) International Bond $ 1.153
(d) US$ Deposit $ 1.823
(d) Sterling Deposit £ 1.018
(d) French Franc Deposit Fd FF 10.30
(d) Sw. Fr. Deposit SF 5.130
(d) DM Deposit DM 5.106
(d) Yen Deposit Y 509.8
(d) Austr.Dollar Dep. Fd A$ 1.046
(d) Global Conv. Bond Fd $ 17.41
GEFINOR FUNDS
London:071-4994171, Geneva:41-22355530
(w) East Investment Fund $ 953.27
(w) Scottish World Fund £ 217.1735
(w) State St. American $ 331.41
GENERALE BANK
(see also Interselex Group)
(d) Rentinvest $ 27.49
(d) Capital Rentinvest $ 128.97
(d) Rentinbel Distr. LF 9,568.00
(d) Rentinbel Cap. LF 18,958.00
GAM ANLAGEFONDS AG.
POB 164, 8034 Zurich Tel.41-1-2516640
(w) GAM (CH) America SF 1282.00
(w) GAM (CH) Europe SF 99.00
(w) GAM (CH) Mondial SF 1310.00
(w) GAM (CH) Pacific SF 1646.00
GENESEE FUND LTD. 18/06/90
(w) (B)Genesee Short $ 99.35
(w) (C)Genesee Opportunity $ 180.86
GLOBAL ASSET MANAGEMENT CORP.
11 Athol St.Douglas,I. of Man.44-624-26037
(w) GAM Arbitrage Inc $ 232.75
(w) GAMerica Inc $ 259.39
(w) GAM Australia Inc. $ 121.35
(w) GAM Asean Inc $ 185.81
(w) GAM Bond Fund Inc U.S Ord. $ 108.49
(w) GAM Bond Fund Inc U.S Spe. $ 132.91
(w) GAM Bond Fund Inc. SF 88.80
(w) GAM Bond Fund Inc. £ 96.06
(w) GAM Bond Fund Inc. DM 85.76
(w) GAM Bond Fund Inc. Y 10,933.00
(w) GAM Boston Inc $ 237.62
(w) GAM Ermitage $ 31.88

(w) GAM Europe Fund $ 104.05
(w) GAM European Inc. $ 121.08
(w) GAM Franc-Val Inc. SF 220.72
(w) GAM France Inc FF 1497.54
(w) GAM Global Fund $ 135.87
(w) GAM High Yield Inc. $ 93.17
(w) GAM Hong Kong Inc. $ 228.84
(w) GAM International Inc. $ 173.07
(w) GAM Japan Inc. $ 854.35
(w) GAM Money Mkts. Fund $ 103.84
(w) GAM Money Mkts. Fund £ 107.12
(w) GAM Money Mkts. Fund SF 104.19
(w) GAM Money Mkts. Fund DM 103.47
(w) GAM Money Mkts. Fund Y 10,286.00
(w) GAM Mlti-Mgr Fd Inc Gen Eq $ 105.61
(w) GAM Mlti-Mgr Fd Inc Alloc. $ 102.15
(d) GAM Mlti-Mgr Fd - Trading $ 100.09
(w) GAM North America Fund $ 98.49
(w) GAM Pacific Basin Fund $ 132.89
(w) GAM Pacific Inc $ 536.19
(w) GAM Restr. Fd. Inc. $ 154.21
(w) GAM Singapore/Malay Inc $ 278.81
(w) GAM Swiss Fr Spec Bd Fd SF 94.62
(w) GAM Value Inc. $ 100.77
(w) GAM Worldwide Inc $ 453.78
(w) GAM Tyche S.A. Class A $ 208.64
(w) GAM Universal (Sp) Inc. SF 93.67
(w) GAM U.S. Inc. $ 171.39
(w) GAM Whitehorn Fund Inc. $ 146.99
(w) GAM ut Inc. $ 323.45
(w) GSAM Composite Inc. $ 224.86
G.T. MANAGEMENT PLC
(d) G.T. ASEAN Fund $ 59.59
(d) G.T. Asia Fund $ 15.46
(d) G.T. Australia Fund $ 24.44
(d) G.T. Berry Japan Fund $ 39.01
(w) G.T. Biotechn./Health Fund $ 11.63
(d) G.T. Bond Fund $ 15.41
(d) G.T. Britain Fund £ 6.74
(d) G.T. Deutschland Fund $ 14.64
(d) G.T. Dollar Fund $ 21.48
(d) G.T. Europe Fund $ 36.30
(w) G.T. Emerging Mkts Fund $ 10.00
(w) G.T. Euro. Small Cos. Fund $ 36.68
(d) G.T. Global Small Cos.Fund $ 17.59
(d) G.T. Global Techno. Fd $ 18.75
(d) G.T. Hong Kong Fund $ 38.89
(d) G.T. Honshu Pathfinder $ 13.75
(d) G.T. Investment Fund $ 13.18
(w) G.T. Japan OTC Stocks Fund $ 14.34
(w) G.T. Japan Sml Co.Fd $ 18.23
(w) G.T. Korea Fund $ 4.70
(w) G.T. Nat Res. Fd Gold Class $ 5.34
(w) G.T. Newly Ind. Countr. Fd $ 32.72
(d) G.T. Select Dollar Bd Pfl $
(d) G.T. Select Int Bd Pfl. $
(d) G.T. Select Gilt Pfl. £
(r) G.T. Technology Fund $ 43.64
(d) G.T. U.K. Small Companies £ 8.36
(d) G.T. U.S. Small Companies $ 16.15
HENDERSON HORIZON FUND
(d) HHF Japan Portfolio $ 12.52
(d) HHF Japan Sm. Cos. Pfl. $ 22.72
(d) HHF Pacific Portfolio $ 11.96
(d) HHF North Amer.Portfolio $ 5.11
(d) HHF European Portfolio $ 9.14
(d) HHF U.K. Portfolio £ 5.98
(d) HHF Global Portfolio $ 10.03
(d) HHF Fixed Interest Pfl. $ 8.90
(d) HHF Dollar Liq. Pfl. $ 0.8241
(d) HHF Sterling Liq. Pfl. £ 1.1813
(d) HHF Invt. Cos. Pfl. $ 10.91
HENDERSON PTFL. MGT. SERVICE
(d) HPMS Dol. Bal. Gr. Pfl. $ 2.087
(d) HPMS Sterl. Bal. Gr. Pfl. £ 1.313
(d) HPMS Dol. Sel Markets Pfl $ 2.145
(d) HPMS DoLincome & Gr. Pfl $ 1.800
(d) HPMS Sterl. High Inc. Pfl. £ 0.998
HILL SAMUEL GLOBAL PORTFOLIO
1A rue Pierre d'Aspelt Luxembourg 1142
(d) H. S. Glbl Pfl UK Equity £ 9.64
(d) H. S. Glbl Pfl UK Sm.Co.Eq. £ 9.79
(d) H. S. Glbl Pfl N.Amer. Eq. $ 9.79
(d) H. S. Glbl Pfl US Sm.Co.Eq. $ 9.14
(d) H. S. Glbl Pfl Pac.Bas.Eq. $ 9.20
(d) H. S. Glbl Pfl Jap. Eq. Y 940.00
(d) H. S. Glbl Pfl Euro Eq. DM 10.15
(d) H. S. Glbl Pfl St.Fix.Int. £ 9.58
(d) H. S. Glbl Pfl Eu.Fix.Int. DM 9.19
(d) H. S. Glbl Pfl Glbl. Eq. $ 9.59
(d) H. S. Glbl Pfl Glbl. Bond $ 9.45
(d) H. S. Glbl Pfl Glbl. Mod. $ 9.36
HILL SAMUEL INVEST. MGMT. INTL. S.A.
Jersey, P.O. Box 63, Tel 0534 76029
Berne, P.O. Box 2622, Tel 4131 224051
(d) Crossbow (Far East) SF 14.86
(d) CSF (Balanced) SF 36.27
(d) European Equity Fund DM 20.77
(d) Intnl. Bond Fund $ 12.97
(d) Int. Currency U.S.Manag'd $ 28.00
(d) ITF Fd (Technology) $ 23.11
(d) O'Seas Fd (N. AMERICA) $ 50.63
(d) Int. Currency U.S. $ 27.98
IAM, 2 Bd. Royal LUXEMBOURG
(d) Iam Flagship Fund ECU 82.17
(w) Iam Bonds Fund-France FF 575.30
(w) Iam Bonds Fund-Deutschl DM 221.16
(w) Iam Bonds Fund-Japan Y 10,494.00
(w) Iam Bonds Fund-Switz. FS 214.38
(w) Iam Bonds Fund-U.S.A $ 106.22
(w) Iam Bonds Fund-Europe ECU 117.66
(w) Iam Bonds Fund-Netherl. FL 198.64
(w) Iam Europe global ECU 102.57
(w) Iam Europe luxe ECU 110.03
(w) Iam Europe 90/10 ECU 105.22
(w) Iam Europe 1992 ECU 111.28
(w) Iam Europe du Sud ECU 111.34
INTERSELEX GROUP
(d) Int.America Fund $ 17.78
(d) Int.Belga Fund LF 3182.00
(d) Int.Europa Sicav LF 6822.00
(d) Int.Pacific Fund $ 1060.75
(d) Int.World Fund $ 96.12
ITALFORTUNE INTL. FUNDS.
(w) Class A (Aggr.Growth Ital.) $ 53.01
(w) Class B (Global Equity) $ 10.45
(w) Class C (Global Bond) $ 10.72
(w) Class D (Ecu Bond) ECU 9.85
ISLAMIC MGMT FUND LTD $ 1106.02
CSFB Fund Mgmt Ltd (0481-713996)
PB122 St. Peter Port, Guernsey
JARDINE FLEMING, GPO Box 11448 Hg Kg
(d) J.F Japan Trust Y 20278.00
(d) J.F Pacific Sec. Trust $ 27.09
(d) J.F Pacific Income Trust $ 88.47
(d) J.F Hong Kong Trust $ 78.55
(d) J.F European $ 13.46
(d) J.F International $ 13.10
(d) J.F Gib Convertibles Trust $ 12.88
KIDDER, PEABODY & Co. Incorporated.
(b) Chesapeake Fund Ltd. $ 1251.88

(b) Stonehenge Ltd. $ 1072.26
KLEINWORT BENSON SELECT FUND
(d) British Fund ECU 1.87
(d) Emerging Asia Fund ECU 2.016
(d) European Fund ECU 2.03
(d) Japanese Fund ECU 1.90
(d) International Fund ECU 1.88
(d) North American Fund ECU 1.88
(d) Pacific Fund ECU 1.92
LIPPO ASIA LIMITED
(w) Java Fund $ 10.67
LLOYDS BANK PLC, POB 438, Geneva 11
Mr. Peter King, 41 (22) 3073333/ext. 3374
+(w) Lloyds Int'l Dollar $ 118.30
+(w) Lloyds Int'l Europe SF 199.30
+(w) Lloyds Int'l Growth SF 212.00
+(w) Lloyds Int'l Income SF 260.00
+(w) Lloyds Int'l N. America $ 174.30
+(w) Lloyds Int'l Pacific SF 197.40
+(w) Lloyds Int'l. Smaller Cos $ 18.43
MAN INTERNATIONAL FUTURES
(m) Alubaf Mint Gtd.Fund.Ltd. $ 105.94
(m) Mint Limited - Ordinary $ 42.86
(m) Mint Limited - Income $ 15.38
(m) Mint Gtd Ltd - Spec Issue $ 21.07
(m) Mint Gtd Ltd - Series A $ 22.92
(m) Mint Gtd Ltd - Nov 1993 $ 20.15
(m) Mint Gtd Ltd - Jan 1994 $ 16.26
(m) Mint Gtd Ltd - Dec 1994 $ 14.21
(m) Mint Gtd Ltd - Aug 1995 $ 11.54
(m) Fbme Mint Gtd Plc $ 123.12
(m) Mint Sp Res Ltd (BNP) $ 110.69
(m) Newcastle Guaranteed Ltd $ 11.94
MAGNUM FUTURES FUND LTD.
(m) Deutschemark Class DM 20.25
(m) Sterling Class £ 4.14
(m) U.S Dollar Class $ 9.13
MERRILL LYNCH
(d) Dollar Assets Portfolio $ 1.00
(d) Iberia portfolio $ 11.72
(d) Multi-Curr. Bond Portfolio $ 14.82
(d) U.S.A Income Portfolio $ 9.21
(d) US Federal Securities $ 9.56
(d) World Nat Res Pfl. Share A $ 11.32
(d) World Nat Res Pfl. Share B $ 11.26
GLOBAL CURRENCY PORTFOLIOS
(d) Australian Dollar Pfl. $ 11.35
(d) Canadian Dollar Pftl. C$ 9.93
(d) Deutschmark Portfolio DM 9.80
(d) Pound Sterling Portfolio £ 10.47
(d) US Dollar Portfolio $ 11.00
(d) Yen Portfolio Y 988.00
M. LYNCH MLT.NAT'L INV PFL-EQ
GLOBAL EQUITY PORTFOLIO
(d) Class A $ 10.65
(d) Class B $ 10.48
CONVERTIBLE SECURITIES PTFL.
(d) Class A $ 11.47
(d) Class B $ 11.44
BASIC VALUE PORTFOLIO
(d) Class A $ 10.18
(d) Class B $ 10.15
MIM BRITANNIA, POB 271, St. Helier, Jersey
(d) Amer. Inc. & Growth $ 1.346
(d) Asia Super Growth Fund $ 14.55
(d) Dollar Man.Curr $ 14.02
(d) Dollar Man. Port $ 2.295
(d) Gold & Prec. Metals $ 0.925
(d) Gtd. N.W. 1994 $ 8.50
(d) Int.High Income $ 2.414
(d) Japan Dollar Perf. Fd $ 3.970
(d) Jersey Gilt £ 0.1671
(d) Nippon Warrant Fund $ 21.24
(d) Okasan Global Strat $ 18.47
(d) Pioneer Markets $ 3.152
(d) Sterling Man.Port £ 1.816
(d) Sterling Man. Curr. £ 17.07
(d) U.K. Growth £ 1.049
NIMARBEN
(w) Class A $ 181.84
NMB BANK, PO 1800, 1000 BV Amsterdam.
(w) The Brazil Fund $ 1.29
(w) NMB Dutch Fund FL 42.30
(w) NMB Real Estate Fund FL 36.80
(d) NMB Euromix Fund LF 2,079
NOMURA INVEST BANKING (M.E) E.C.
(d) Nomura Gulf Fund $ 9.79
NOMURA INTL. (HONG KONG) LTD.
(d) Nomura Jakarta Fund $ 11.47
OBLIFLEX LIMITED
(w) Multicurrency $ 21.69
(w) Dollar Medium Term $ 17.18
(w) Dollar Long Term $ 15.72
(w) Japanese Yen Y 23.07
(w) Poud Sterling £ 15.73
(w) Deutsche Mark DM 12.48
(w) Dutch Florin FL 12.70
(w) Dutch Florin Multi. FL 10.32
(w) HY Euro. Currencies ECU 10.24
(w) HY Euro.Curr.Divi.Pay. ECU 10.34
(w) Swiss Franc SF 10.54
(w) Swiss Franc Divi. paying SF 10.63
(w) US Dollar Short Term. $ 10.26
(w) Swiss Multicurrency SF 11.60
(w) European Currency ECU 14.19
(w) Convertibles $ 11.77
(w) French Franc FF 103.23
(w) Swiss Multi-dividend SF 9.15
OLYMPIA Capital Int'l.BVI
c/o OCM, 17 ave. George V, 75008 Paris
tel.: 33-1-47230374
(w) Finsbury Group $ 133.78
(w) Winchester Capital $ 100.92
(w) Winchester Frontier $ 223.66
(w) Winch.Hold.-Intl.SerD ECU 1,186.86
(w) Winch.Hold.-Intl.SerF ECU 1,171.48
(w) Winchester Hold.-US$ $ 15.73
(w) Winch.Reser.Multi.Gvbd $ 12.11
(m) Winch.Fut.Divers. $ 16.10
(m) Winch.Fut.Orion $ 17.98
PARIBAS-GROUP
(d) Belux Fund LF 11,476.00
(d) Cortexa International $ 132.54
(d) Ecupar ECU 1,399.20
(d) Luxor $ 7.91
(d) Moneyflow LF 10,253.00
(d) Parinter Fund $ 226.60
(d) Par US Treas. Bond 'Cl. B' $ 156.21
(d) Europhenix ECU 194.86
(d) Parinter Bond Fund $ 73.25
(d) Paribas-Rente 'A' LF 1,283.00
(d) Paribas-Rente 'B' LF 1,389.00
(d) Parvest Obli-Franc 'A' $ 1,311.15
(w) Parvest Obli-Franc 'B' $ 1,311.15
(w) Parvest SF 957.60
(w) Parvest Obli-DM 'A' DM 2,171.43
(w) Parvest Obli-DM 'B' DM 1,307.38
(w) Obligestion SF 86.47
(w) Parvest Obli-Dollar 'A' $ 1,137.42
(w) Parvest Obli-Dollar 'B' $ 1,233.38
(w) Parvest Obli-Yen 'A' Y 106465.00

(w) Parvest Obli-Yen 'B' Y 116182.00
(w) Parvest Obli-Gulden 'A' FL 962.33
(w) Parvest Obli-Gulden 'B' FL 1,103.40
(w) Parsuisse SF 1,585.42
(w) Parjapan Y 3,659.00
PERMAL GROUP
(m) Drakkar Growth $ 2173.99
(m) EuroMir (ECU) Ltd. ECU 1022.80
(m) Media Ltd. $ 374.37
(m) Nascal Ltd $ 1442.44
(m) Special Opportunities Ltd $ 1729.90
(m) Updyke Ltd $ 264.32
(m) Value N.V. $ 2037.65
PIERSON, HELDRING & PIERSON N.V.
Rokin 55, 1012KK, Amsterdam (20-5211188)
(w) Asia Pac. Growth Fd N.V. $ 37.30
(w) Asian Selection Fd. N.V. FL 52.57
(w) DP Amer. Growth Fd N.V. $ 27.87
(w) Europe Growth Fund N.V. FL 65.42
(w) Japan Diversified Fund $ 48.61
(w) Leveraged Cap Hold $ 351.24
(w) Tokyo Pac. Hold. N.V. $ 183.01
PIONEER GROUP
(d) Pioneer Fond $ 22.88
(d) Pioneer II $ 18.59
PUTNAM
(d) Emerging Hlth Sc. Trust $ 20.42
(w) Putnam Em. Info. Sc. Tr $ 14.55
(d) Putnam Glob. High Growth $ 13.96
(d) Putnam High Inc. GNMA Fd $ 9.25
(d) Putnam Int'l Fund $ 12.36
ROBECO GROUP
POB 973, Rotterdam (10-4650711)
(d) Robeco FL 99.70
(d) Rolinco FL 99.40
(d) Rorento FL 59.40
(d) Rodamco FL 80.80
ROTHSCHILD AST.MGT.
(w) Tokyo Pac. Hold. (Sea) $ 183.81
ROYAL B. CANADA, POB 246, GUERNSEY
+(w) RBC British Fund Ltd. £ 5.406
+(w) RBC Canadian Fund Ltd C$ 13.94
+(w) RBC European Fund $ 13.91
+(w) RBC Far East&Pacific Fd $ 46.85
+(w) RBC Int'l Capital Fd $ 60.81
+(d) RBC Int'l Bond Fund Ltd. $ 12.71
+(d) RBC Man.Currency Fd $ 39.14
+(w) RBC North Amer. Fd $ 15.94
ROYAL TRUST ASSETMIX FUND
Lux. Tel: (352) 489061
EQUITY FUNDS
(d) Alpha UK £ 1.25
(d) Alpha US$ $ 1.51
(d) Alpha Worldwide SF 4.92
(d) Alpha Japanese Y 990.00
(d) Alpha Pacific Rim $ 1.42
(d) Alpha European ECU 1.28
(d) Gold Share $ 1.00
BOND FUNDS
(d) Sterling Pound £ 185.35
(d) US$ Bond US$ 108.77
(d) Deutschmark Bond DM 48.13
(d) Alpha Worldwide SF 52.13
RESERVE FUNDS
(d) Sterling Reserve £ 12.286
(d) US$ Reserve $ 11.210
(d) Deutschmark Reserve DM 10.925
SHEARSON LEHMAN HUTTON
(d) Oporto Growth Fund $ 8.50
SKANDIFOND
SKANDINAVISKA ENSKILDA BANKEN
(w) Equity Intl Acc $ 13.02
(w) Equity Intl Inc $ 11.80
(d) Equity Global $ 1.30
(w) Equity Far East $ 2.09
(w) Equity Gold $ 0.86
(w) Equity Japan Y 135.00
(d) Equity Nordic $ 1.53
(d) Equity U.K. £ 1.17
(d) Equity Continental Europe $ 1.42
(d) Equity Mediterranean $ 1.26
(d) Equity North America $ 1.33
(d) Bond DEM DM 0.91
(w) Bond Intl Acc $ 8.31
(w) Bond Intl Inc $ 6.42
(d) Bond Sweden SEK 9.87
(d) Bond Dollar $ 1.01
(w) High Income Acc $ 1.14
(w) High Income Inc $ 8.56
(w) Multicurrency $ 1.2099
SOCIETE GENERALE GROUP
(w) Sogelux Fund (SF)
(w) SF Bonds A U.S.A. $ 12.08
(w) SF Bonds B Germany DM 22.67
(w) SF Bonds C France FF 88.74
(w) SF Bonds D Switz. SF 20.00
(w) SF Bonds E G.B. £ 8.46
(w) SF Bonds F Japan Y 1659.00
(w) SF Bonds G Europe ECU 12.27
(w) SF Bonds H World Wide $ 12.13
(w) SF Bonds J Belgium BF 589.00
(w) SF Eq. K North America $ 12.85
(w) SF Eq. L W. Europe ECU 13.48
(w) SF Eq. M Pacific Basin YEN 1499.00
(w) SF Eq. N France FF 70.00
(w) SF Eq P Growth Countries $ 13.92
(w) SF Equities Q Gold Mines $ 10.54
(w) SF Equities R World Wide $ 12.73
(w) SF Short Term S France FF 120.61
(w) SF Short Term T Eur. ECU 11.80
SODITIC ASSET MANAGEMENT INC.
(w) SAM Diversified Inc. $ 104.75
SVENSKA HANDELSBANKEN S.A.
146 bd de la Petrusse, L-2330 Luxembourg
(b) SHB Bond Fund $ 44.90
(w) Svenska Select.Fd Intl Sh. $ 56.08
(w) Svenska Select.Fd America Sh $ 13.42
(w) Svenska Select.Fd Asia Shares $ 6.94
(w) Svenska Select.Fd Germany DM 10.42
(d) Svenska Sel.Fd Intl Bd.Sh $ 10.17
(d) Svenska Sel.Fd Nordic Shs $ 12.00
(d) Svenska Sel.Fd S/T Ass.Sh $ 10.26
SWISS BANK CORP. (ISSUE PRICES)
(d) AmericaValor SF 433.00
(d) AngloValor £ 106.86
(d) Asia Portfolio $ 620.90
(d) Convert Bond Selection SF 95.61
(d) Dollar Bond Selection $ 122.28
(t) D-Mark Bond Selection DM 105.75
(d) Ecu Bond Selection ECU 96.10
(d) Florin Bond Selection FL 110.15
(d) FranceValor FF 1897.22
(d) GermanioValor DM 564.73
(d) Gold Portfolio SF 358.98
(d) ItalValor Lit 519303.00
(d) Japan Portfolio SF 718.50
(d) SBC Ecu MMF. ECU 2708.95
(d) SBC £ MMF. £ 2009.97
(d) SBC Yen MMF. YEN 501,097.00
(d) SBC US$ MMF $ 6099.31
(d) SBC 100 Index Fund SF 1183.00

(d) SBC Str Bond A/B SF 1039.23
(d) Sterling Bond Selection £ 102.25
(d) Sw. Foreign Bond Selec. SF 100.67
(d) Swissvalor SF 484.75
(d) Universal Bond Select. SF 72.25
(d) UniversalFund SF 116.38
(d) Yen Bond Selection Y 11187.00
TEMPLETON W.WIDE INVESTMENTS
(d) GROWTH PORTFOLIO
(d) Class A-1 $ 10.87
(d) Class A-2 $ 10.87
(d) Class A-3 $ 10.87
(d) Class B-1 $ 10.80
(d) Class B-2 $ 10.86
(d) INCOME PORTFOLIO
(d) Class A $ 10.56
(d) Class B $ 10.49
THORNTON MANAGEMENT LTD.
(d) Thornton Inf opps.fund $ 2.14
(d) Pacific Invt. Fd. S.A. £ 11.16
(d) Pac.Invt. Fd. SA DM 32.17
(d) Pac.Invt. Wrnts Fd.S.A. DM 17.76
(d) Pac.Invt. Warrants Fd.S.A. £ 6.16
(d) Thornton Kangaroo Fd Ltd. $ 10.02
(d) Thornton HK & China $ 14.38
(d) Thornton Japan Fund Ltd. $ 23.67
(d) Thornton Orient.Inc. Fd Ltd $ 24.36
(w) Thornton Phil. Redev. Fd $ 35.10
(d) Thornton Tiger Fund Ltd $ 34.34
(d) Thor.Pacific Tech.Fd Ltd $ 11.18
(d) Thor.Lith. Dragons Fd Ltd $ 27.70
(d) Thor.Golden Opport.Fd $ 3.16
(d) Eastern Crusader Fund. $ 11.89
(w) The Global Access Fund. $ 9.6
NEW TIGER SEL. FUND
(d) Thailand $ 12.28
(d) Malaysia $ 18.17
(d) Indonesia $ 9.84
T. Rowe Price Associates Inc.
(m) T. Rowe Price Frontier Ltd. $ 10.35
TYNDALL INT'L GUERNSEY LTD
Tel.0481 27963
(d) Amer Spec Sits $ 47.37
(d) Eurobond $ 28.46
(d) Mortgage C$ 14.01
(d) Overseas $ 28.97
(d) Tiger $ 44.94
(d) High Yield Bond $ 64.10
(d) Marunouchi $ 87.20
(d) Far Eastern $ 481.40
(d) Gilt £ 510.90
(d) Mgd Currency-Dollar $ 1.383
(d) Mgd Currency-Stlg £ 116.30
(d) 1992 $ 239.60
(d) Wall Street $ 250.80
(d) HI Inc Gilt & Bulldog £ 96.10
UEBERSEEBANK, ZURICH
(d) B-FUND SF 939.03
(d) M-FUND SF 1061.55
(d) E-FUND SF 581.50
(d) J-FUND SF 348.66
(d) M-Distribution SF 98.31
(d) UBZ Euro-Income Fund SF 9.30
UNION BANK OF SWITZERLAND
(d) Amca American Shrs SF 39.00
(d) Bond-Invest SF 57.00
(d) Brit-Invest Shares SF 766.00
(d) D-Mark-Invest Bds DM 200.10
(d) Dollar-Invest Bds $ 112.90
(d) ESPAC Spanish sh SF 208.00
(d) Eurit SF 362.50
(d) Fonsa Swiss Sh. SF 226.50
(d) Francit Shares. SF 231.50
(d) Germac Shares. SF 265.00
(d) Globinvest Shares. SF 198.00
(d) Gold Invest Shares. SF 282.50
(d) Holland-Invest Sh. SF 340.00
(d) Itac Shares SF 338.00
(d) Japan-Invest Sh. SF 1379.50
(d) Sima (stock price) SF 338.50
(d) Skandinavien-Invest SF 298.00
(d) UBS Money Mkt Inv. £ 1051.53
(d) Yen-Invest Bonds. YEN 84,727.00
UNION INVESTMENT Frankfurt
(d) Unirenta DM 36.30
(d) Unifonds DM 40.80
(d) Unirak DM 81.50
(d) Unizins DM 106.15
THE UNIVERSAL GROUP OF FUNDS
(d) Univers Sav Amer C$ 10.08
(d) Univers Sav Equity C$ 11.19
(d) Univers Sav Global C$ 5.57
(d) Univers Sav Pacific C$ 9.57
(d) Univers Sav Nat. Res C$ 5.59

Other Funds

(b) Abacus Gcert.Fd.Mar.'94 $ 9.88
(r) Acticroissance $ 514.50
(d) Actifinance Intl $ 1072.94
(w) Actigestion FF 1231.81
(w) Activest Intl $ 23.94
(d) Amvabel FL 72.20
(w) Aquila International Fund $ 293.11
(d) Ariane $ 3,818.63
(d) Asia Oceania Fund $ 10.17
(m) Associated Investors Inc. $ 775.53
(m) Atlantic Fund $ 85.02
(d) Atlas Fund SF 108.40
(d) Australia Fund $ 14.19
(w) BDD Inv Fund-Eco Bd ECU 5172.45
(w) BEM International $ 5.80
(d) Bera Norden Sicav $ 140.44
(d) Bera Trust Sicav $ 136.42
(d) Bera Trust Sicav Switz. SF 162.32
(w) Bersen Int'l Fund. $ 11.41
(d) Bever Beleggingen+++ $ 25.50
(w) Bondselex-Issue Pr. SF 103.35
(w) J Capel guaranteed Fund $ 18.23
(w) CMI Investment Fund $ 1413.00
(w) Cash Gestion FF 10058.08
(d) CB German Index Fund DM 140.74
(m) Cleveland Offshore Fd. $ 29.47
(m) Columbia Securities. FL 113.46
(d) Commod. Gtd. Fund/USA. $ 5.86
(d) Conquerer Fund Ltd $ 86.71
(d) Convert. Fd. Int'l A Certs $ 17.24
(d) Convert. Fd. Int'l B Certs $ 58.84
(w) Cumber Intl N.V. $ 258.82
(w) Daiwa Japan Fund Y 9001.00
(w) D.G.C. $ 212.82
(d) D-mark-Baer Bond Fd DM 969.00
(d) Dollar-Baer Bond Fd $ 1120.00
(w) D. Witter Wld Wide Ivt Tst. $ 23.83
(d) Dreyfus America Fund $ 18.02
(d) Dreyfus Fund Int'l. $ 44.38
(w) Dreyfus Intercontinent $ 37.07
(m) Dumenil Arbitrage Fd NV $ 871.97
(d) Emi Germ. Ind Plus(A) DM 100.26
(d) Emi Germ. Ind Plus(B) DM 100.26
(d) Emi France Ind Plus(A) FF 964.51
(d) Emi France Ind Plus(B) FF 964.51
(d) Emi Uk Index Plus (A) £ 100.61
(d) Emi Uk Index Plus (B) £ 100.61
(d) Emi Belg. Index Plus(A) BF 9,867.00
(d) Emi Belg. Index Plus(B) BF 9,867.00
(d) Eoblcurrency (DOM) ECU 1.24
(w) Esprit Sicav ECU 1322.82

(w) Espir. Sto Inv M Sth Eur Fd $ 12.37
(d) EURASUD FF 1130.09
(d) Europe Obligations ECU 72.97
(d) Europe 1992 $ 11.29
(m) Fairfield Fund $ 1004.53
(w) Fairfield Int'l Ltd. $ 149.30
(w) Fairfield Strat. Ltd. $ 39.40
(w) First Eagle Fund $ 39,414.55
(m) First Frontier Fonds $ 71.64
(w) F.I.T. Fund H FF 112.85
(d) Fondltalia $ 90.17
(w) Fonselex Issue Pr. SF 176.95
(d) Forexfund Limited $ 9.10
(w) Formula Selection Fd. SF 72.77
(d) Frankl-Trust Eff. Fd. DM 177.37
(d) Frankl-Trust Interzins DM 39.40
(m) Gems Progressive Fd Ltd. $ 1,023.28
(w) George V INV. BOND F. $ 21.33
(w) German Sel. Associates DM 2279.10
(d) Green Line France FF 734.77
(w) Hausmann Hldgs. N.V. $ 310.44
(w) Hestia Funds $ 157.43
(w) Horizon Fund $ 1749.21
(w) Ibex Holdings Ltd. SF 180.04
(w) IFDC Japan Fund YEN 41,709.00
(r) ILA-IGB $ 6.51
(r) ILA-IGS $ 9.97
(m) IncAmerica N.V. $ 14.95
(m) IncAsia N.V. $ 9.97
(w) Inremel $ 10.49
(w) Interecu Fund 'A' ECU 1043.72
(w) Interecu Fund 'B' ECU 249.45
(m) Interface Fund Ltd. $ 148.13
(d) Interfund SA $ 47.73
(w) Intermarket Fund $ 426.19
(r) Int'l Securities Fund $ 28.86
(w) Intersec SA $ 4245.40
(d) Investa DWS DM 82.67
(d) Investmaxfor Fund $ 108.70
(m) Japan Selection Asses. Y 11,088.00
(w) Japan Pacific Fund $ 252.73
(w) Japan Res.Growth F. Yen 1014398.00
(w) Japan Selection Fund $ 215.52
(d) J.I Placement FF 11730.97
(d) Kenmar L/C $ 10.00
(d) Kenmar Guarantee $ 10.00
(w) Kenmar Intl - B $ 9489.00
(m) Key Hedge Fund Inc $ 104.88
(w) Kleinwort Bens. Jap. Fd. $ 246.00
(d) KML-II High Yield 20/06/90 $ 723.30
(w) Korea Growth Trust $ 35.42
(w) LACO International $ 7.12
(w) Leumi Val.Francaises FF 1053.83
(w) Liberty Offshore Fund $ 106.49
(d) Liquibaer $ 1875.80
(m) London Portfolio G'td. I. $ 87.48
(m) London Portfolio G'td. II. $ 9.12
(w) Luxfund $ 110.56
(m) Lynx Sel.Holdings SF 135.84
(m) MCM International Limited $ 136.50
(w) Moore Global Invts. Ltd. $ 1,249.58
(w) ML Morgens L.v HiYld.Inv.NV $ 9.39
(d) Mediolanum Sel. Fd. $ 48.25
(d) NCA FUND $ 12.32
(w) Nippon Fund $ 109.08
(m) NMT Asian Sel. Portfolio $ 206.98
(m) NMT Citadel Bond SF 109.32
(m) NMT Nastec Portfolio s/s. $ 118.79
(d) NM Inc. & Growth Fund $ 16.39
(d) Nomura-Cap Int Eq Fd $ 14.86
(d) Nordmix Lit 11890.00
(m) Novo Plus Fund I Ltd. $ 1000.00
(w) Noveurope ECU 3243.71
(m) NSP F.I.T. $ 275.80
(w) Oppenheimer U.S.Arb. $ 124.38
(w) Optimum Fund $ 1,344.79
(m) Overlook Performance $ 1213.84
(d) Pacific Nles Fund $ 9.76
(w) PAM Futures Trad. $ 461.10
(w) Pancurri Inc. $ 152.41
(m) Paragon Fund Limited $ 9.64
(d) Pro Traders Judgement $ 92.02
(w) Prosp. I.H.Inc.P.F 15/06/90 $ 6.54
(w) Pugel-Mahe Barclays Pac. $ 199.72
(w) Quantum Fund N.V. $ 14,272.28
(w) Rep.(Guernsey) Dol.Inc.ltd $ 9.76
(d) SAGA Amerique FF 831.35
(d) SAGA Court Terme FF 1137.89
(d) SAGA Long T.Capitalisation FF 1049.26
(d) SAGA Opportunites FF 885.20
(d) SAGA Premiere FF 1129.63
(w) Samurai Portfolio SF 288.70
(d) Sanwo Kle.Spain Fd $ 11.77
(d) Sarakreek Holding n.v.+++ $ 29.18
(m) Scimitar Guaranteed $ 7.85
(m) Scimitar Guaranteed Cur Fd. $ 10.00
(d) SCI/Tech. SA Luxembourg $ 21.09
(w) SP International S.A. $ 5181.12
(w) SLH Guar. F.F.I. $ 915.39
(d) Strat Int'l Gold Fund S.A. $ 6.82
(w) Sussex Silverman $ 1096.00
(w) Techno Growth Fund SF 64.21
(d) Templeton Glob Inc. $ 9.90
(m) The Petrus Fund Ltd. $ 1.13
(m) TIIC(O.T.C)Jap.fd Sicav $ 17.41
(w) Transpacific Fund Y 37117.00
(w) Triton Offshore Class A $ 960.64
(w) Triton Offshore Class B $ 903.09
(w) Tudor B.VI Futures.LTD $ 5640.56
(d) Turquoise Fund $ 227.21
(w) Tweedy,Browne n.v.CLA $ 3693.76
(w) Tweedy,Browne n.v.CLB $ 1805.93
(m) Tweedy,Browne (U.K.) n.v. $ 1371.27
(d) Unico Inv.Fund DM 71.32
(d) Unico Equity.Fund DM 66.23
(d) Uni Bond Fund ECU 1545.76
(r) Uni Capital Fund $ 1642.57
(m) Unitrad FF FF 10,514.55
(m) Unitrad SF SF 1,842.72
(m) Unitrad $US $ 1,032.42
(d) Univers Bonds DM 133.18
(d) Vanderbilt Assets $ 16.44
(m) Victor Futures Fund $ 187.00
(d) Victoria Holdings Limited $ 87.50
(d) Willerbond Capital $ 14.78
(d) World Fund S.A. $ 11.78
(d) World Balanced Fund S.A. $ 12.28
(w) Worldwide Securities $ 38.41
(w) Worldwide Special $ 905.29
(m) Zweig Int'l Ltd $ S/S 9,454.00

AS - Australian Dollars; AS - Austrian Schillings; BF - Belgian Francs; C$ - Canadian Dollars; DM - Deutsche Mark; ECU - European Currency Unit; FF - French Francs; FL - Dutch Florin; LIt - Italian Lire; LF - Luxembourg Francs; p-pence; Ptas - Pesetas; SG$ - Singapore Dollars; SF - Swiss Francs; Y-Yen; a - asked; + - Offer Prices; N.A. - Not Available; N.C. - Not Communicated; o - New; S - suspended; S/S - Stock Split; * - Ex-Dividend; ** - Ex-Rts; -@ Offer Price incl. 3% prelim. charge; • - Paris exchange; ++ - Amsterdam exchange; e - misquoted earlier; x-not registered with regulatory authority

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EUROBONDS
BY CARL GEWIRTZ
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Japan Banks Find New Fund Source

Reuters

TOKYO — Japanese institutional investors such as life insurance companies will soon be able to lend funds to banks through subordinated loans, a form of financing new to Japan, the Ministry of Finance said Friday.

The lenders in a subordinated loan agreement have a lower claim to repayment in the event of the borrower's bankruptcy. The loans will be a new means to help banks meet the tougher capital adequacy requirements set by the Bank for International Settlements, the Ministry of Finance said in a statement.

Banks have been anxiously searching for new ways to build capital since the sharp fall in the Tokyo stock market this year, which clouded the outlook for equity financing. Also, banks are allowed to count 45 percent of their unrealized gains on their equity portfolios as capital. If the market falls, the value of those gains diminishes.

Worries that the new loans could compete for investor funds have hurt yen bond prices recently, but most analysts said the long-term negative impact should be limited.

"I don't expect funds to shift from bond investments to such loans," said a domestic loan manager at a major life insurer. "Our allotted funds for lending may increase, but so will funds for bonds."

Loans account for about 30 percent to 40 percent of life insurer investment portfolios, and this proportion is likely to remain steady, he said.

"From the investor's point of view, loans cannot replace bond investments, since they aren't as liquid," said Katsuhito Sasajima, an analyst at Nikko Research Center Ltd.

Long-term credit banks' debentures are the most likely market instruments to suffer from the new competition. While their five-year term is similar to those of the new loans, the debentures bear interest 0.9 point below the long-term prime rate.

But setting the appropriate level for interest rates on the new loans is a source of controversy. Banks say the rates should be at the long-term prime rate or lower because of their high creditworthiness.

But many investors think the limited repayment liability under the subordinated loan contract should entitle them to a higher return.

While no Japanese deposit-taking institution has failed since World War II, some analysts said Japan's current course of deregulation increased the risk of bank failures.

"The loans would be an expensive source of funding for banks," said Masaru Takagi, chief economist at Fuji Research Institute Corp., an affiliate of Fuji Bank Ltd.

"Banks will use them only as one part of their asset restructuring, alongside equity-linked financing or cutting down total assets," Mr. Takagi said. Banks will be limited to major non-bank institutions such as life insurers and agricultural financing institutions.

Partly as a result of the stock market's difficulties — the key Nikkei average fell 1.22 percent Friday, putting it 19 percent below its level at the end of 1989 — some Japanese banks may have difficulty meeting BIS capital adequacy standards.

Taipei Acts on Currency Speculation

By Steve Glain

International Herald Tribune

The Taiwan central bank, seeking to stabilize turbulent currency and stock markets, on Friday took steps to discourage speculators from building up holdings of U.S. dollars in Taiwan's banking system.

The central bank announced that it was increasing the percentage of foreign currency deposits that commercial banks must keep with it on reserve.

Beginning Saturday, local and foreign banks authorized to deal in foreign exchange must keep 29 percent of their foreign currency passbook deposits and 13 percent of their foreign currency time deposits with the central bank, Reuters reported.

The new requirements represent increases of 6 percent and 3 percent respectively. Bankers said, however, that the move will have an even greater effect because the previous requirements were not enforced.

Central bank officials said the move was needed to staunch a currency outflow and stabilize the Taiwan dollar, which the bank has supported at a cost of billions of U.S. dollars in open market intervention in the last month.

"At present foreign currency deposits have increased substantially which has affected the financial stability of the nation," the central bank said in a statement.

The flow of funds out of Taiwan dollar assets and into U.S. dollars has also undermined the local stock market, which earlier this week hit a 17-month low.

"There's only one buyer in the market right now, and that's the central bank," said an analyst with a British securities firm, referring to the currency market. "Everyone else is selling."

The Taiwan dollar closed Friday 27.40 per U.S. dollar, compared with 27.41 on Thursday.

The increased deposit requirements will drive interest rates higher by siphoning a larger percentage of foreign currency out of the system. Tighter credit will increase the borrowing costs to speculators, most of whom take out time deposits with U.S. dollars obtained on margin lending, analysts said.

"It's a face-off match between the central bank and the speculators," said Peter Kurz, managing director of Baring Securities Taiwan. "If the central bank can hold out, the speculators will lose because it will be too costly for them to maintain their positions."

But few analysts believe the new requirements will ease selling pressure on the local currency, and a further depreciation is expected once the speculators are flushed out of the market.

"There's a general belief that the Taiwan dollar should be revalued," said Jeff Toder, an analyst with Jardine Fleming Taiwan Ltd. "The central bank has spent an incredible amount of U.S. dollars to stabilize that currency, and a lot of people are expecting that support to wane."

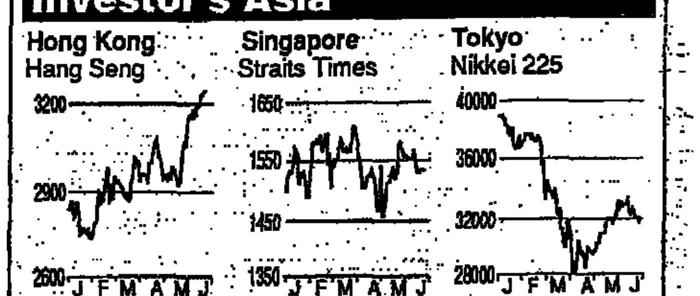
Just this week, the central bank is estimated to have spent about $2 billion to help stabilize the local currency, analysts said. On Thursday, turnover in Taiwan's foreign exchange market reached 748.5 million dollars, its highest level since 1.5 billion on Oct. 3, 1987.

Selling pressure on the Taiwan dollar reached its peak last May 15, when the unit depreciated by 4 percent to 27.50 per U.S. dollar. The one-day plunge highlighted Taiwan's epidemic capital outflow, which began when the government loosened foreign exchange controls two years ago.

Since then, manufacturers and investors have exchanged Taiwan dollars for foreign currency to take advantage of business opportunities overseas. The exodus of cash has strained the government's efforts to let the local currency appreciate in response to demands from Washington to cut Taiwan's trade surplus with the United States, which in 1989 reached $14 billion.

Analysts said the Taiwan dollar is likely to reach the 28.00 to 29.00 per U.S. dollar level before stabilizing. But they said they doubted such a depreciation would occur before U.S. and Taiwan trade negotiators adjourn their current round of talks later this month.

Investor's Asia



Exchange	Index	Friday Close	Prev. Close	% Change
Hong Kong	Hang Seng	3250.44	3246.21	+0.13
Singapore	Straits Times	1532.92	1533.57	-0.04
Sydney	All Ordinaries	1512.5	1505.40	+0.47
Tokyo	Nikkei 225	31694.57	32087.27	-1.22
Kuala Lumpur	Composite	579.64	577.42	+0.38
Bangkok	Book Club	880.31	871.64	+0.99
Seoul	Composite Stock	747.37	743.17	+0.57
Taipei	Weighted Price	5452.74	5500.40	-0.87
Manila	Composite	945.58	927.70	+1.93
New Zealand	Barclays	1791.89	1802.48	-0.59
Bombay	National Index	433.59	420.05	+3.22

Sources: Reuters, AFP — International Herald Tribune

Indirect Trade With China Pursues Its Expansion

Reuters

TAIPEI — Taiwan's indirect trade with China grew in April, and trade officials and economists said Friday there were signs it would expand further over the rest of 1990.

Official figures showed Taiwan's trade with China through Hong Kong rose to $330 million in April, up 8 percent from $305 million in March and 2 percent higher than the $322 million recorded in April 1989.

"The figure reflects that our trade with mainland China is rebounding," said Alexander Chen, director of the Information Department of the Board of Foreign Trade.

Taiwan-China trade suffered three months of decline before beginning to recover in February. It has been rising since.

Mr. Chen attributed the April increase to a rise in Taiwan's imports from China.

Taiwan's imports of Chinese products and materials jumped 37 percent to $70.7 million in April from $51.5 million in April 1989 and were up 22 percent from $58.1 million in March.

Taiwan's exports to China fell 4 percent to $259 million from $271 million in April 1989, but were 5 percent above the $247 million in March.

The April figure brought the level of Taiwan's trade with China to $1.12 billion for the first four months of 1990, up 2 percent from $1.1 billion in the same 1989 period, Mr. Chen said.

The trade through Hong Kong makes up the bulk but not all of Taiwan's indirect trade with Beijing. Direct trade between Taiwan and China is banned by Taipei.

Economists said the increase in Taiwan's imports from China was primarily coming from Taiwanese manufacturers in China.

The manufacturers ship their China-made products back to the island for re-export to the United States and Europe, the economists said.

"Many Taiwan businessmen produce their products in China and re-export them abroad because they can incur lower costs with such arrangements," Kao Charng, research fellow at the Chung Hwa Institution for Economic Research, said.

Mr. Kao said Taiwanese have invested between $400 and $500 million China so far this year and the investment could reach $1 billion by the end of the year. Investment in the three years to the end of 1989 totaled about $1.1 billion, he added.

Hou Chia-chi, economics professor at Soochow University, said rising investment by Taiwan businessmen in China would help increase indirect trade between Taiwan and China.

Officials and economists predict this year's trade between Taiwan and China would top $4 billion.

"Taiwan businessmen have already forgotten Beijing's suppression of the pro-democracy movement last June and are using the mainland as their new production base to keep their export businesses," Mr. Hou said.

Philippines Taking Bids On Rural Phone Project

Reuters

MANILA — The Philippines government is evaluating bids by nine groups of suppliers for a project to install 59,150 additional telephone lines in rural areas by 1992, the National Telecommunications Commission said Friday.

The winning bidders will supply telephone equipment for the government project, estimated to cost 5 billion pesos ($219 million), the commission said.

The project is to be financed by a yen loan package from Japan's Overseas Economic Cooperation Fund and will be launched after the fund's approval of the proposed suppliers, the telecommunications commission said.

The bidders for the project included a consortium of American Telephone & Telegraph Co. and Italtel SpA of Italy; Siemens AG of West Germany; a Japanese group including Sumitomo Corp. and NEC Corp., and Mitsubishi Corp. of Japan and its suppliers.

Bidding results will be known in about a month, NTC said.

NYSE

Friday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued)

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Chg
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Malaysia Gives Brokers Reprieve on Capital Rule

Reuters

KUALA LUMPUR — Malaysian brokerage firms have been allowed more time to comply with a ruling requiring them to boost their minimum capital to 20 million ringgit ($9.5 million), the Kuala Lumpur Stock Exchange said Friday.

The Malaysian finance minister, Daim Zainuddin, agreed to extend the deadline in stages — originally set for June 1 — to Dec. 31, 1991, the stock exchange said.

So far, only 10 out of 47 active brokerage firms in the country have complied with the ruling, which is intended to boost confidence in the securities industry. It was also hoped that the ruling would encourage brokerage houses to merge.

Singapore and Malaysia delisted their stocks from each other's stock exchanges at the end of 1989.

Volume on the Kuala Lumpur Stock Exchange shot up soon afterward, and many brokers found themselves unable to cope with the volume.

Stock certificates were lost in the process and many smaller firms were forced to reject orders because their operations were too small to handle the increased volume. Six of them have since been suspended.

The stock exchange said firms in Kuala Lumpur and its vicinity have until the end of this year to raise the full 20 million ringgit by Dec. 31, 1991.

Firms in the northern towns of Penang and Ipoh and the southern town of Johor Bahru are required to raise at least 15 million ringgit by the end of this year.

Firms in all other areas are required to have 10 million ringgit by end-1990.

Brokers welcomed the deadline extension, saying it would give them breathing space. The ruling was announced last March.

The stock exchange statement said individual firms given prior exemptions would not be subject to the new ruling.

The decision to extend the deadline came after appeals from some firms that said they could not meet the new ruling. Some firms had asked for a lower capital requirement of five to 10 million ringgit each.

An official of a small brokerage house said, "The extension gives reasonable time for small firms to search for partners. In the long run it is good for the whole industry and gives more confidence to foreign investors to trade in the local market."

Several Malaysian firms, such as K& N. Kenanga Sdn. and Mohaiyani Securities Sdn. have set up joint ventures with foreign broking firms.

Several Malaysian banks such as Bank Bumiputra Malaysia Bhd. and Public Bank Bhd. have also set up broking subsidiaries as separate companies. Only one broking firm, Rashid Hussain Securities Sdn., is currently listed on the Kuala Lumpur Stock Exchange.

"The reprieve is reasonable because in the first place the deadline was too short," said Ben Lee, investment analyst of W.I. Carr (Far East) Ltd. "By giving more time, it is an indirect message to many of the firms to merge or be taken over by bigger groups."

He said it would encourage bigger firms, to set up branches outside Kuala Lumpur.

"In the coming months we will be seeing a lot of mergers and stockbroking firms seeking listing on the KLSE," Mr. Lee added. "They would now also be more inclined to get foreign partners to inject capital."

Indonesian Group Acquires Seattle-Based Seafood Firm

Reuters

JUNEAU, Alaska — Sealaska Corp., a Juneau-based Alaska-native company, has sold Ocean Beauty Seafoods Inc., a wholly owned subsidiary, to the Ika Muda Group of Indonesia, Sealaska announced in a statement on Friday.

Ocean Beauty Seafoods is a Seattle-based seafood processing, wholesale marketing and distribution company.

The terms of the sale were not announced.

In 1989, Ocean Beauty Seafoods had sales totaling $198 million and an operating profit of $5 million.

The Ika Muda Group is a privately held, diversified company that has Indonesia's largest integrated shrimp operations and that processes and trades other seafoods in Asia and also in the United States, the Sealaska statement said.

With the sale, Sealaska has divested itself entirely of its seafood holdings and now intends to concentrate instead on its timber and minerals businesses, a spokesman for the company, Ross Soboleff, said Friday.

Sealaska is one of 13 regional Alaska-native corporations formed under the Alaska Native Claims Settlement Act of 1971, a U.S. act.

Sealaska reported recently that its 1989 net income totaled $28.3 million and that its assets amounted to $278.9 million.

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AMSTERDAM DEPOSITARY COMPANY N.V.

Amsterdam, June 19, 1990.

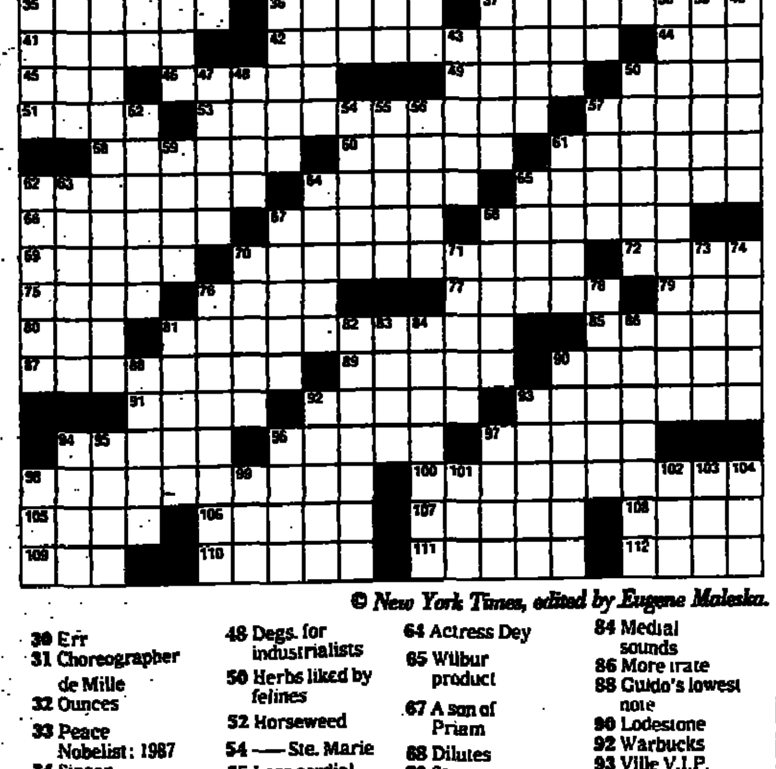
NOTICE OF ANNUAL GENERAL MEETING

To all Shareholders of Permal-Drakkar Growth N.V.

The Annual General Meeting of Shareholders of the Company will be held at the registered office of the Company, 15 Pietermaai, Willemstad, Curacao, Netherlands Antilles, at 10:00 a.m. on Friday, June 29, 1990. The Annual General Meeting will consider (I) acceptance of the resignations of the members of the Managing Board, (II) appointment of Curacao Corporation Company N.V. as the sole Managing Director, (III) adoption of amendments to the Articles of Incorporation and (IV) such other matters as properly come before the meeting.

Holders of bearer shares may establish their ownership of such shares by depositing their shares or a certificate of deposit thereof at the office of the Company not later than 10:00 a.m. June 29, 1990 and by producing a receipt for such shares at the meeting.

Meow, Miaow, Miaou, Meaow By Jack R. Harnes



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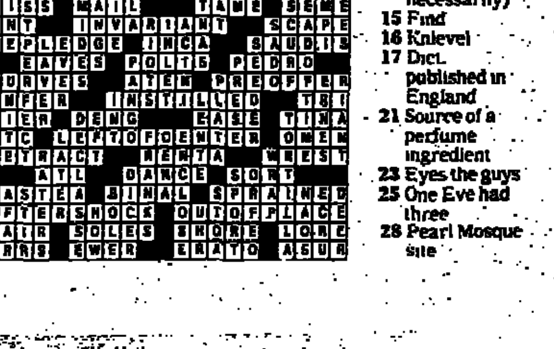
Solution to Last Week's Puzzle



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SPORTS/THE WORLD CUP

In Italy, the World Cup Proves a Mixed Blessing

By Clyde Haberman
New York Times Service

ROME — After long watching their monuments wither under the pitiless assaults of air pollution, Romans have finally figured out how to solve their suffocating traffic problem. It turned out to be so simple.

All they had to do was get their country to be host for the World Cup finals.

With everybody home these nights, eyes fixed on the television, especially when the Italian team is playing, virtually no cars move anywhere.

There are few strollers in the piazzas. Buses pass, but not many, and those that do are almost empty.

As a result, for several hours every night the smattering of people who manage somehow to resist World Cup fever have the world's greatest outdoor museum all to themselves, rid of its normal distractions and irritants and caressed by clean evening breezes.

Of course, it cannot last.

But at least for now this is a city pleasantly transformed by the soccer malady that sweeps the globe every four years. In fact, that is true throughout the country.

A person can try to run from the 1990 World Cup but, as Joe Louis once said, he can't hide.

Not even a Pope. As Italy prepared to play Austria, John Paul called on a Roman Catholic parish in Rome, but cut his visit short. "The pope," he said, "must not even try to compete with the national duty to be in front of the television."

The U.S. ambassador to Italy, Peter F. Secchia, sent out invitations the other day to an Independence Day celebration at his villa. The party will be held on the Fifth of July. There is a semifinal match scheduled for the Fourth.

According to press reports, purse-snatchings and burglaries are almost nonexistent in the capital on the nights Italy plays, apparently because thieves are joining the more than 25 million Italians, three-fourths of the viewing public, who tune in.

All in all, Italians are feeling pretty chipper about themselves these days, and why not?

The national team won all three of its first-round matches, and, from the building superintendent to the wine-shop owner, people say that the tournament is in the bag for Italy.

Not everyone is so thrilled, though. Hotels owners in the 12 host cities are especially grouchy.

In theory, they were supposed to make a killing. At one point, there were forecasts that eight million visitors would come to Italy during the monthlong games.

Instead, it is now clear that regular tourists have stayed away in droves because they were afraid that 1) prices would be too high, 2) they would not be able to find a room, 3) streets would be choked with boisterous fans, 4) a soccer riot would erupt outside their restaurant as they were about to dig into their *bucatini all'amatriciana*, or 5) all of the above.

Now, hotel owners are talking about the World Cup as though it were the sports equivalent of the Titanic. The extent of their troubles is hard to quantify in this country of often-fluid statistics. But one newspaper reported this week that 35 percent of the 54,000 hotel beds in Rome remain empty.

Taxi drivers assure the curious that they are suffering just as much. Restaurant and bar owners have reason for unhappiness.

At the strong suggestion of the interior minister, local prefects have imposed bans on alcohol sales on match days in their cities, the idea being to reduce the possibility of liquor-induced violence.

Restaurant owners regard the alcohol ban not as an unwelcome necessity but rather as an outrage: How can you serve meals without wine?

How indeed, echo many customers. The alcohol debate has consumed far more column inches of newsprint here than Gorbachev's latest problems.

To show that they meant business, hundreds of restaurateurs in Rome and Milan took a hard line. "No wine, no food," they announced, and shut down their kitchens on Prohibition days. Wine growers got into the act, circling the capital in a plane and dropping leaflets that said, "Wine is not violence."

Finally, the authorities in Rome, Florence, Bologna and Turin relented a drop by scaling back the hours of the ban, but restaurants and bar owners are still displeased and threaten to close again.

Actually, a waiter in the heart of Rome confided the other evening that it makes no difference. Business would be miserable anyway because few people are venturing out to eat.

When Italy played the United States last week, he said, the restaurant had only one customer the whole night.

By comparison, business this evening was booming. There were two customers. The waiter took their orders, then did what every other Roman was doing at that moment. He plunked himself down in front of the television, and watched soccer.

Unlikely Heroes Grab the Spotlight

Overcoming Age, Weight and Ambiguity for Cup Glory

The Associated Press

ROME — A 38-year-old striker who came out of retirement. A midfielder thought too fat to last an entire match. A goalkeeper who came to Italy determined to end the anonymity of his tiny nation.

Roger Milla of Cameroon, Paul Gascoigne of England and Luis Gabelo Conejo of Costa Rica have been among the unlikely stars so far of this World Cup finals. Little-known outside their countries before the tournament began, they have jumped into the spotlight abandoned by many star players.

Center stage at the world's greatest sporting spectacle had been prepared for such as Diego Maradona of Argentina, Ruud Gullit of the Netherlands and Rubén Sosa of Uruguay.

But as they faltered — through injuries, tight checking and indifferent play — members of the supporting casts stepped forward to grab a share of glory.

When the Italian strike force of Gianluca Vialli and Andrea Carnevale failed to produce goals, in came Salvatore Schillaci to score twice. While high-scoring Spanish striker Emilio Butragueño has been quiet, playmaker Michel has four goals, the most in the first round.

The tournament has featured a number of comebacks, including that of Enzo Scifo of Belgium. A starter at the 1986 World Cup, he was dropped from the team for lackluster play and returned just in time to anchor Belgium at this year's world championship. He has done so admirably, becoming the playmaker his countrymen have expected he would develop into.

But the most remarkable comeback has been made by Milla, who lost interest in top-level soccer after the death of his mother and was playing for a small team on the Indian Ocean island of Réunion.

Unexpectedly recalled to the Cameroon squad, he scored two goals to defeat Romania as the African nation clinched a spot in the second round. Now he is talking about playing professionally again, perhaps in Italy or Spain.

Gascoigne, whose prodigious skills often are overshadowed by his propensity to find trouble on and off the field, was derided as too chubby to survive the Italian summer and too immature to lead England's conservative attack.

But after a weak opening match against Ireland, he stepped forward to lead the English in their draw against the Netherlands and created England's winning goal against Egypt on Thursday night, a goal that gave the English the Group F title.

Conejo, 30, entered the World Cup as the goalkeeper of a nation that many people would have trouble locating on a map. But he stepped into the spotlight with several key saves as Costa Rica stunned Scotland and then Sweden to finish second in Group C.

His rugged good looks and athletic saves left a strong impression with millions of television viewers, and he hopes foreign clubs have been noticing as well.

"The World Cup is an important opportunity to show off one's ability," he said. "My wish is to play abroad. I would especially like to play in Mexico, because I would like to stay in my part of the world, but I would consider Europe."

He already has caught its attention.

Reuters
Conejo: Key saves

AP
Gascoigne: Overcame critics

Reuters
Milla: Remarkable comeback

Goal Scorers

Through the first round:
FOUR — Michel, Spain.
THREE — Rudi Völler, West Germany; *Lothar Matthäus, West Germany.*
TWO — Marius Lacatus, Romania; Tomas Skuhravy, Czechoslovakia; Careca, Brazil; Davor Jozic, Yugoslavia; *Roger Milla; Cameroon; Michal Bilek,* Czechoslovakia; Jürgen Klinsmann, West Germany; Gavril Balint, Romania; Darko Pancev, Yugoslavia; Salvatore Schillaci, Italy; *Muller, Brazil.*
ONE — François Omam Biyick, Cameroon; Bernardo Redin, Colombia; Carlos Valderrama, Colombia; Roberto Baggio, Italy; Ivan Hasek, Czechoslovakia; *Milan Luhovy,* Czechoslovakia; Paul Caligiuri, United States; Tomas Brolin, Sweden; Juan Amoldo Cayasso, Costa Rica; Gary Lineker, England; Kevin Sheedy, Ireland; Marc Degryse, Belgium; Michel De Wolf, Belgium; Wim Kieft, Netherlands; Magdi Abdel-Ghani, Egypt; Pedro Troglio, Argentina; Jorge Burruchaga, Argentina; Giuseppe Giannini, Italy; Uwe Bein, West Germany; Khalid Ismail Mubarak, United Arab Emirates; Stuart McCall, Scotland; Maurice Johnston, Scotland; Glenn Stromberg, Sweden; Hwang Bo Kwan, South Korea; Leo Clijsters, *Belgium; Enzo Scifo, Belgium;* Jan Ceulemans, Belgium; Pablo Bengoechea, Uruguay; Oleg Protasov, Soviet Union; Andrei Zigmantovich, Soviet Union; Alexander Zavarov, Soviet Union; Igor Dobrovolsky, Soviet Union; Pedro Monzón, Argentina; Pierre Littbarski, West Germany; Freddy Rincón, Colombia; Safet Susic, Yugoslavia; *Robert Prosinecki,* Yugoslavia; Ali Thani Jumaa, United Arab Emirates; Gerhard Rodax, Austria; Andreas Ogris, Austria; Bruce Murray, United States; Roger Flores, Costa Rica; Hernán Medford, Costa Rica; Johnny Ekstrom, Sweden; Alberto Górriz, Spain; Patrick Vervoort, Belgium; Daniel Fonseca, Uruguay; Niall Quinn, Ireland; Ruud Gullit, Netherlands; Mark Wright, England.

WORLD CUP WRAP-UP

Clubs May Have to Release Players

TRIGORIA, Italy — A FIFA official said Friday that the world governing body, concerned by the decline in performance by many players expected to star in the World Cup finals, may force club teams to release their foreign stars 60 days before future tournaments begin.

The issue is "almost certain" to be introduced "by the next World Cup," said Julio Grondona, a vice president of FIFA and the president of the Argentine Football Association.

"This championship shows that leading players are not in top form," he said.

Grondona said FIFA's president, João Havelange and its executive committee had discussed the problem in private.

He said FIFA would consider inserting a clause in international transfer contracts that would stipulate that a player must be released for national team duty 60 days before the World Cup finals begin and 30 days before a qualifying series.

3 From Crash Remain Hospitalized

CAGLIARI (Reuters) — Three people remained in the hospital Friday after the bus crash involving English fans in which one was killed, hospital spokesmen said.

The three, two Englishmen and an Italian coach driver, were among the 33 persons hurt in the accident, which occurred about 20 kilometers (12 miles) north of Cagliari on Thursday before England's 1-0 victory against Egypt.

Hospital spokesmen said 30 people, almost all of them fans, were treated for minor injuries and released. One of those still hospitalized had a broken collarbone, the other a dislocated hip. The injured driver had a broken leg, they said.

Police identified the dead fan as Robert Hawkins, aged 20, from Birmingham in central England.

2 of Yugoslavia's Players Recovering

GARDA, Italy (AP) — Goalkeeper Tomislav Ivkovic is recovering from a shoulder injury and is expected to be fit for Yugoslavia's second-round game Tuesday against Spain, the team spokesman said Friday.

Ivkovic injured his left shoulder during Yugoslavia's 4-1 victory against the United Arab Emirates on Tuesday in Bologna. He was able to finish the game only after receiving pain-killing injections at halftime and missed two days of training.

The team said midfielder Srecko Katanec was also fit and expected to play. Katanec hurt his right knee during the 1-0 victory against Colombia and missed the game against the United Arab Emirates.

Belgium's Emmers Out of Match

PESCANTINA, Italy (Reuters) — Belgian midfielder Marc Emmers said Friday that he had to rest for at least three days because of an Achilles' tendon problem and was doubtful for Tuesday's second round match against England.

Emmers started Thursday's match against Spain, but was substituted for after half an hour. The team doctor, Walter Redant, indicated that the tournament was perhaps over for Emmers.

Irish Players $140,000 Richer

PALERMO, Sicily (AP) — Ireland's World Cup team became $140,000 richer Friday after its 1-1 draw with the Netherlands that put it into the second round of the World Cup.

Ireland next plays Romania on Monday in Genoa.

Ireland Football Association sources said the 22-member squad already had picked up $350,000 by qualifying for the World Cup. If it reaches the last eight, the team would receive a further bonus, they said.

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The Global Newspaper.

The Surprises Will Likely Continue

International Herald Tribune

Rob Hughes

MILAN — The first round was rather good, but today the real World Cup begins.

What we had was a stage-setting, in which the small, the undeveloped and the weak were supposed to be eliminated. That script didn't last a minute, not from the opening match, when the Lions of Cameroon devoured the fading champions of Argentina. The Soviet Union took the first plane home, the little nations beguiled us and surprised us, and the soccer was better than expected.

Bravissimo, as the Italians say. Now comes the nitty-gritty. No second chances, no respites. A team advances or it departs. It's now a high-stakes game.

CAMEROON again gets the ball rolling. With some of its part-timers fretting about their jobs in Yaoundé, this team actually should beat Colombia.

Africa versus Central America for a place in the quarterfinals. Amazing, yet deserved by both sides. The Cameroonians, with that spectacular old goal scorer, Roger Milla, taking time out from retirement, aught to have too much skill at too swift a pace.

But Colombia was supposed to lose to West Germany, and instead often perplexed the favorites with knife-sharp passes and instinctive attacks that will surely attract Europeans to young Freddy Rincón. Tall and deceptively dexterous, Rincón scored the goal against Germany that defied belief after the Colombian team had been disbanded six months ago following the murder of a referee by betting syndicate gunmen.

In Bari later tonight, Czechoslovakia, restored to soccer after a timeout for the players' conjugal rights, should beat Costa Rica. But if this island team can beat Scotland and Sweden, you may not feel safe with your money on the Czechs.

SUNDAY, the stakes will be raised sky high. In Turin, at 5 P.M., Brazil meets its archenemy, Argentina. With Brazilian fans disaffected by the lack of flair, and with Diego Maradona brooding about everything, this might appear to be a less than full-blooded match.

Forget such thoughts. Brazil has everything to lose and the Argentines will play as if this is the final. They, especially without injured goalkeeper Nery Pumpido, do not expect to hold onto the trophy, but by heavens they will go for the Brazilians' scalps.

It will be close, but I think Brazil has too many good players to be beaten by Argentina. Careca to score the winner(s), and let us hope not too many Brazilians are too injured to play in the next round.

At 9 P.M. Sunday, in Milan, the West Germans, the power team so far, meet the Dutch, who arrived nursing doubts in body and mind and have stuttered thus far. Three Germans, Lothar Matthäus, Jürgen Klinsmann and Andreas Brehme, will be on home ground; so, too, will be three from the Netherlands' side, Ruud Gullit, Marco Van Basten and Frank Rijkaard.

The Germans play for Inter Milan, the Dutch for AC Milan. But while West Germany has rehearsed with three games in front of 70,000 partisans, the Dutch have had a more debilitating first phase in the heat of Sicily and Sardinia. It will be a surprise if the Netherlands can raise its game sufficiently to repeat its 1988 European championship victory in West Germany.

MONDAY pits the physical, long-ball commando style of the Republic of Ireland against the Romanians, whose moods understandably vary according to the news from Bucharest. If nobody is beaten back home, and if Gheorghe Popescu can stimulate his teammates from the defense, Romania has the quality to beat Ireland. But the Irish harry and chase, and if need be try methods outside the rule book. And I have a displeasing suspicion that they might bring the match down to their level and win (after penalties, since not losing is Ireland's forte.)

All will be forgotten come 9 P.M. Monday when Italy hosts, and probably toasts, itself. Olympic Stadium in Rome will be swollen by a crowd of 73,000, overwhelmingly Italian, and the pace will be hot because Uruguay's main weapon is speed.

And then? If Salvatore Schillaci is on his game, if Franco Baresi ties up the defense and if the Uruguayans prove to be as unconfident as they began this tournament, Italy will send another tremor of delirium through 26 million television viewers and a couple million streets revelers.

No sleep for us, and not a lot for the Uruguyans, whose skills have been, strangely, put out of rhythm by lesser teams than Italy's.

TUESDAY, in Verona, Spain versus Yugoslavia will be a contest more of spirit than muscle. Both teams have abundant talent, but both seem dependent on whether their stars are in the right place.

Spain, let off with a goal-less draw after being bemused by Uruguay, eventually finished atop its group because midfielder Michel scored a hat trick against the poor United Arab Emirates, and because he scored a penalty goal against Belgium, which missed one.

Michel transcends the Spanish team, on which Emilio Butragueño is not the Vulture of old. Yugoslavia, the great exporter of technique and players and coaching ideas, is equipped to outwait and outwit Spain. Temperament could sway the result either way but, for the heck of it, take the cooler heads.

The last second-round match, in Bologna on Tuesday, is about anything but flawed temperament. England is built on masses of effort and solid physical striving, although its team has unearthed two relative jewels: the speedy defender Des Walker and the creative midfielder Paul Gascoigne, whose vision has not surprised his manager but whose stamina certainly has.

Yet how wily these Belgians are. They are old, with six players over 30 and seven who made it to the semifinals in 1986. But age seems not to weary them, and though Italians were swift to condemn the slender Enzo Scifo, a play-maker of Sicilian stock and a reject from Inter Milan, he is having a splendid tournament.

I think he, and the still combative, still astute Jan Ceulemans, will outmaneuver the English, channeling England's energy down cul-de-sacs, and when the English grow weary, when those hard games in Cagliari have taken their toll, the Belgians will strike in counterattack.

AND AFTER that? Hasn't this World Cup provided such a welcome essence of surprise that it is foolish to speculate on one match ahead, let alone the whole shooting match?

Well, if you promise not to say I told you, here goes:

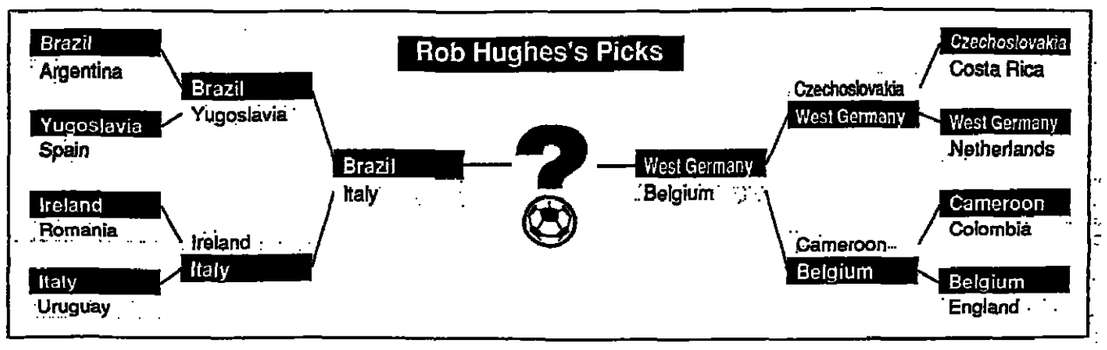
Last eight: Italy, Ireland, Yugoslavia, Brazil, West Germany, Czechoslovakia, Belgium, Cameroon.

Last four: Italy, Brazil, West Germany, Belgium.

Last two: Brazil, West Germany.

Champion? What do you want, blood?

Rob Hughes is on the staff of the Sunday Times



Two Teams Hampered by Injuries

Reuters

TURIN — Brazil's players turned their attention to penalties Friday as they prepared to meet Argentina on Sunday.

Manager Sebastiaõ Lazaroni is well aware that the match could go to extra time and, if still even, a penalty shoot-out.

"Our matches against Argentina are always very difficult and I'm sure this one will be no different," he said after a full training session near this northern city.

Ricardo Rocha, Careca, Alemão, Valdo and Branco, whose fearsome free-kick concussed Scotland's Murdo Macleod on Wednesday, led the penalty practice and appear to be the main candidates for Sunday.

Bebeto, the gifted but frail striker whose career has been plagued by injury, again did not practice because of a swollen knee and his role in Italy is now be in doubt.

Brazilian officials also said Alemão and Jorginho were nursing strains but would be fit. The line-up is to be announced on Saturday.

The eleven who finished the Scotland match are likely to face Argentina, with defender Ricardo Rocha keeping out Mozer and goal scorer Muller being put on the attack instead of Romario, who still lacks match fitness.

The players looked relaxed and confident as they spoke to the media after the training session.

Diego "Maradona can win a match in only a few seconds and we will obviously be keeping a close eye on him, though other players will receive similar attention," Alemão said.

Dunga is likely to be given the job of ensuring that when the stocky Argentine captain — never averse to playing for free-kicks — starts falling, as he does so well, he does so outside the penalty area.

"We are going to have to cut down on our mistakes in front of goal," said Lazaroni, whose side scored only four goals in its three opening round matches.

But Lazaroni was still resisting calls to abandon his cautious 3-5-2 system and reinforce the attack.

"I would use a three-man attack only in conditions of dire emergency," he said flatly.

Argentina have also been plagued by injuries, with understudy keeper Sergio Goycochea, brought in for Nery Pumpido who broke a leg, looking uneasy, particularly with crosses.

Both Maradona and Jorge Burruchaga, probably the side's second most important player, have nagging injuries, though they are sure to play.

Just to add to their burden the fans in Turin's Alpi stadium will root for Brazil mainly because of club rivalry with Napoli, Maradona's Italian side.

But Bilardo was defiant. "We are not scared of Brazil and I believe we are good enough to get the better of them," he said.

Antonio Scorza/Agence France-Presse

Brazil's often criticized coach, Sebastiaõ Lazaroni, proved to be a pillar of strength as his team's practice began Friday in Asti, Italy.

A Match to Take 'Very Seriously'

The Associated Press

NAPLES — Cameroon has already made the soccer world sit up and take notice. Now it wants to become the first African nation to make the quarterfinals of the World Cup.

Cameroon takes on Colombia on Saturday in the second round of the championship, a stage both teams are delighted to have reached.

Morocco, which made the second round four years ago in Mexico before losing, 1-0, to West Germany, has the best record of any African team in the 60-year history of the championship.

"I want every player in our team taking this match very seriously," said Cameroon's coach, Valeri Nepomnyashchy. "Colombia is a very strong team that plays compact soccer."

Nepomnyashchy and veteran striker Roger Milla both see flamboyant Colombian midfield player Carlos Valderrama as the main threat.

Milla used to play alongside Valderrama for the French first division team Montpellier.

"It is going to be extremely difficult for us against the Colombians and Valderrama is tremendously dangerous," Milla said.

Milla, 38, may find himself in the starting lineup against Colombia if striker François Omam Biyik does not recover from an injury. Nepomnyashchy has said he plans to make a decision on who will play just before the game.

Milla has made a big impact as a substitute during the tournament, scoring twice after coming on as a replacement against Romania.

Goalkeeper Thomas Nkono finds his place in the team under threat, according to rumors circulating around the Cameroon camp. Joseph-Antoine Bell, who was considered the first choice coming into the tournament, may start in Nkono's place in the wake of the 4-0 loss to the Soviets.

Colombia's coach, Francisco Maturana, said Friday he would rely on the same starting team that drew, 1-1, with West Germany in Milan on Tuesday.

Maturana, whose own team has made it past the first round for the first time, expressed no surprise at facing Cameroon in the last 16.

"It is simply another result of the closing of the gap between big teams and the smaller nations," Maturana said. "African soccer is emerging very quickly."

Another big worry for Nepomnyashchy is that the crowd could give his team a less than amiable welcome.

Diego Maradona is the favorite son of the Napoli supporters — and Cameroon made both him and his Argentine team look second-rate with their 1-0 first- round victory.

"I fear that the Italian crowd will not be on our side," Nepomnyashchy said.

'Good Test' of Inspiration, Revenge

Compiled by Our Staff From Dispatches

ERBA, Italy — West Germany's manager, Franz Beckenbauer, said Friday he was glad his team would face a strong opponent, the Netherlands, in its first game in the second round.

"It will be a good test for our title chances," Beckenbauer said.

But he also said he regretted that one of the best European soccer teams would be eliminated following Sunday's match in Milan.

"I had been expecting to play the Netherlands in the semifinals or in the finals," Beckenbauer. "Our clash in the second round is not our fault, as we won our group. The fault is on the Dutch side, who finished unexpectedly low in their group."

But even the 1-1 draw with the Republic of Ireland in their final match Thursday could not dampen Dutch enthusiasm as they left Palermo on Friday for Sunday's heavyweight battle.

"The German match will inspire us," said the Netherland's coach, Leo Beenhakker. "It will be all or nothing. I believe the knockout system will inspire us."

The match will be a replay of the 1988 semifinal of the European championship, which the Netherlands won, 2-1, on its way to becoming the continental champion.

West Germany's captain, Lothar Matthäus, called Sunday's match a good opportunity for revenge.

"We have improved since 1988. We are stronger while the Dutch have probably lost some luster in two years," Matthäus said.

Beckenbauer said West Germany is a favorite against the Dutch "because we have played definitely better in the early World Cup matches.

"However Dutch players will be especially motivated against us," he said. "It's a team including stars of great individual technique. I know the Dutch team by heart. I am aware of our strength and I strongly believe we will qualify for the quarterfinals."

"They've got a lot of revenge on their minds," said the Netherland's goalkeeper, Hans van Breukelen. "The Dutch have been celebrating that victory for years — and I'm not joking."

Van Breukelen said he believed that the sudden-death nature of the second round will help Holland.

"You are dead or alive", he said. "I think it will raise our level physically; bring the best out of the team."

Sweeper Ronald Koeman said: "I think West Germany is more frightened of us than we are of them. We have nothing to lose. If we are to play in the final we would have had to meet them sometime."

Koeman cited Andreas Brehme as the most dangerous of the German players. "Everything that happens comes from his feet," he said.

Second-Round Referees Named

Reuters

ROME — FIFA announced Friday the referees that will officiate for the eight second-round matches of the World Cup finals:

Cameroon versus Colombia — Tullio Lanese, Italy.

Czechoslovakia versus Costa Rica — Siegfried Kirschen, East Germany.

Brazil versus Argentina — Joël Quiniou, France.

West Germany versus the Netherlands — Juan Carlos Loustau, Argentina.

Ireland versus Romania — José Roberto Wright, Brazil.

Italy versus Urugnay — George Courtney, England.

Spain versus Yugoslavia — Aron Schmidhuber, West Germany.

England versus Belgium — Peter Mikkelsen, Denmark.

Same Teams, but With Higher Goals

The Associated Press

BARI, Italy — Czechoslovakia and Costa Rica go into their second-round match on Saturday with their sights set higher now that they have accomplished pre-tournament objectives.

A victory for either team — but especially the Costa Ricans in their first World Cup finals — would mean more than just advancement to the quarterfinals.

"If we win, the country will go wild with joy," said Costa Rica's coach, Bora Milutinovic, a Yugoslav who led several Central American teams over the past 10 years, including host Mexico at the last World Cup in 1986.

"Imagine: first time at the championships and already in the quarterfinals," Milutinovic said, laughing as he savored the idea.

Czechoslovakia's qualification for the second round ended a poor World Cup period during which its team failed to progress beyond the opening phase. In 1962 the country reached the final before losing to Brazil.

"I hope my team will show its best because only the top performance will get us past Costa Rica," said Czechoslovakia's coach, Jozef Venglos.

He said that the two teams have equal chances of reaching the quarterfinals.

"I believe that greater international experience of my players could be an advantage for my team, while psychologically Costa Rica has an edge because they have nothing to lose," Venglos said.

Both coaches said they will make no major changes in their lineups.

Czechoslovak midfielder Lubus Kubik, who missed the match against Italy because of two yellow cards, will be back on the team against Costa Rica, Venglos said.

"The match against Costa Rica will be very, very difficult. They are a dangerous team," said Kubik.

The Czechoslovak coach said his starting lineup would be the same as the one that started against the United States.

Milutinovic said he will start the same team as went against Sweden, but with Hernan Medford replacing Roger Gómez, who was suspended after receiving two yellow cards.

Milutinovic said striker Medford, who came off the bench to lead Costa Rica to the victory against Sweden, will be on the team right from the start on Saturday.

Medford, who entered in the 60th minute, when Sweden was leading by 1-0, set up the tying goal, then netted the winner and created at least two other scoring chances for his teammates.

Havelange Says Officials Better

The Associated Press

ROME — FIFA's president, Joaõ Havelange, defended Friday the standard of refereeing during the World Cup and said the officiating had never been better.

FIFA's secretary-general, Joseph Blatter, has criticized inconsistencies and errors by referees during the first round of the competition.

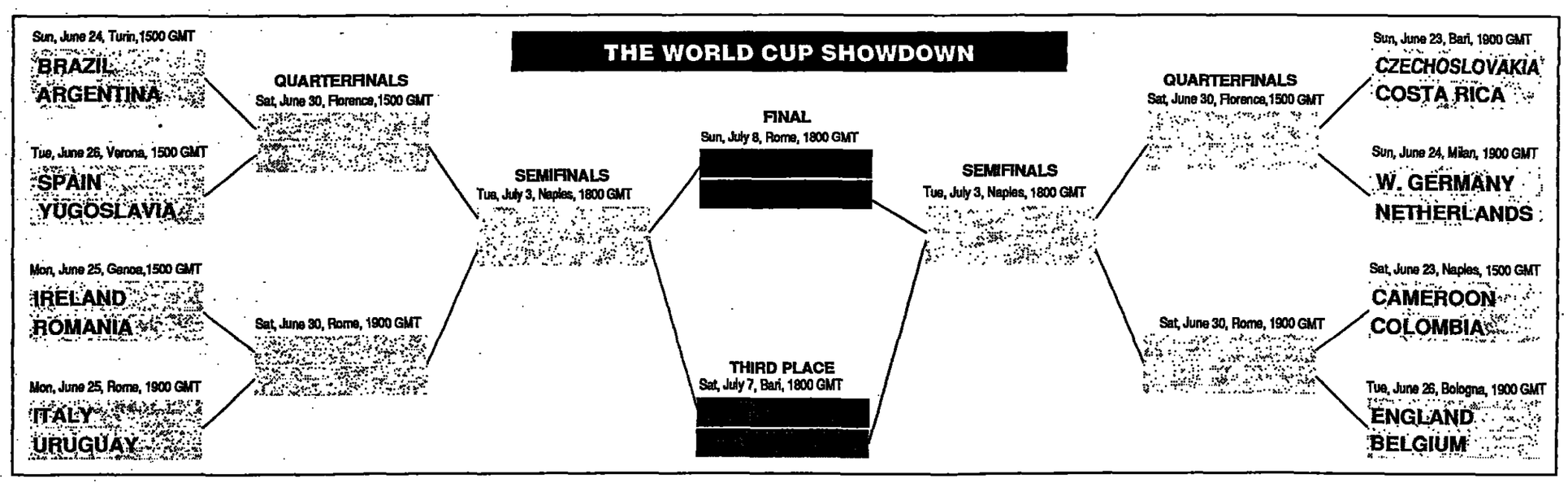
"The referees in the tournament have done well in both interpretation and application," Havelange said.

He said FIFA officials grading the performances of referees during the first round had given them an average of 8.5 points out of 10.

"I respect the decisions of the refereeing committee, so should everyone else," he said.

Havelange also praised the work of the FIFA referees' committee.

"There are always going to be problems with referees, but there is less dissension here than in previous World Cups," he said.



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SPORTS

American (Football) in Paris: Ex-NFL Coach Lends a Hand

By Mark Tosh
Special to the Herald Tribune

PARIS — For the top team in France's fledgling American football league, no introduction of its new coach — Tom Bass, a 20-year veteran of the National Football League — could be too grand.

So the Paris Castors, winners of the past three French championships, put out the word last spring that the "hand of God" would be guiding them in the 1990 season.

Bass, 54, has certainly proven to be all-powerful: The Castors have overwhelmed their opponents with scores as lopsided as 79-0 since his arrival in March.

During more than 20 seasons, Bass enjoyed and endured the NFL's glamour and grind. His knack for drawing up defenses kept him at the side of some of the game's great coaches, including Paul Brown in Cincinnati and Sid Gilman in San Diego. But in October 1985, a new owner in San Diego dismissed Bass as defensive coordinator for the Chargers.

Bass returned to the sidelines in late March as head coach of the Castors, the top team in the Fédération Française de Football Américain.

In his new position, Bass is as about as far removed from the pomp and pressure of the NFL as a coach may ever get. Instead of the the capacity crowds and first-class facilities of the NFL, the budding French version of the game is marked by nearly-empty stands and pebble-strewn fields. Bass's players, all amateurs, buy their own equipment, and last month the team made a 22-hour bus trip to Sweden to play a qualifying game for the Eurobowl, a European club competition.

Despite the drawbacks, Bass is delighted with his new surroundings in France, one of a dozen European countries in which players are determined to play football the American way.

"I'm having a great time," he said last week as the Castors prepared for the Casque d'Or, or Gold Helmet, title game. The Castors, in their fourth straight final, face the Aix-en-Provence Argonautes in Paris on Sunday.

"I love the players," Bass said. "They want to learn. I think that's why they asked me to come over here. They thought that they were at a level and they wanted to step up a little bit."

The Castors, which is French for beavers, are among the French federation's elite teams. This year, about 40 teams competed in three divisions based on age and ability.

Since the federation was created in 1983, the game has come a long way. In 1987, the Castors won the first of their three Casque d'Or titles by a score of 75-0. Last year, however, they edged the Argonautes, 14-13, in the final.

'I'm having a great time. I love the players. They want to learn. They thought that they were at a level and they wanted to step up a little bit.'
Tom Bass, former NFL coach

Mark Tosh/International Herald Tribune
Tom Bass, left, reviewing plays with one of his quarterbacks, Nicolas Robert, during practice.

With the competition improving, the Castors invited Bass to Paris this spring to coach the team. Bass, who had no other professional obligations after having written a position-by-position guide to football for the NFL, accepted the offer.

While the players are all amateurs, coaches in the league may be paid. But Bass declined to give the details of his deal with the Castors, who are sponsored by an architectural firm, Fougerolle.

A few Americans and Canadians play and coach in the French league, but Bass is by far the most prominent American — coach or player. His arrival is a sign to some that the French are taking the game seriously.

"I think Tom is great for French football," said Tony Jones, a Castor quarterback for the past three seasons and a former punter at Yale. "French football has kind of stagnated. A catalyst was needed and he might be it."

Whether Bass, who has no intention to return to the NFL, can improve the game throughout the country is uncertain, but there is no doubt about his contribution to the Castors.

The team won its previous championships without a coach, relying on a core group of players to determine the lineup and call the plays.

When Bass arrived in March, two days before the third game of the seven-game regular season, he gave the players their initial lesson in football tactics based on the strengths and weaknesses of the opponent. The Castors won their next four regular-season games by a combined score of 182-7, an indication both of the imbalanced competition and of Bass's skills.

"He is the professor of American football and we are his students," explained Marc Rosenweig, a Castor linebacker for the past five seasons. "We have learned a lot."

The French players have impressed Bass with what they are willing to endure to play the game.

"These guys sacrifice a great deal to play," said Bass, a player himself until he was stricken with polio as a junior at San Jose State. "They have to buy their own equipment. All of them have full-time jobs. For a French person to play football, they have to really want to do it."

In the short time that he has been with the team, Bass has concentrated on gradually introducing new plays and techniques, leaving most of the personnel decisions to the veteran players.

His vision from the sideline has proven "uncanny," Jones said.

Jones said that in last month's Eurobowl qualifying game against the Swedish team, the Castors were overmatched. But they won in overtime, 26-20, thanks to a halftime revamping that changed the offense to a one-back set and adjusted the defense.

"We played an inspired game," Jones recalled. "But I'd bet all the money I've saved for the past 15 years that we wouldn't have won without him."

Whatever the outcome on Sunday, Bass said that he intends to continue as coach of the team through the second round of the Eurobowl competition, in which the Castors face the Finnish league champion on July 7. But he does not know whether he will be back next season.

"I enjoy working in Europe," he said, adding that seeing players improve can be more rewarding to a coach than winning. "You forget sometimes when you coach in the National Football League how much fun it is supposed to be."

World League Courts Sponsors in New York

By Gerald Eskenazi
New York Times Service

NEW YORK — The World League of American Football came courting sponsors in New York, promising shorter games punctuated by a mandatory no-huddle offense for the benefit of impatient Europeans.

And it won't matter if the fans yell in Spanish, Italian, German or English. They will not be able to drown out the quarterback's audibles, because the players will have headsets in their helmets.

Although the league, which plans to place teams in four European and eight North American cities, has a longer name than ticket sales, Tex Schramm was ebullient on Thursday.

Schramm, the former president and general manager of the Dallas Cowboys and now the league president, promised: "We're going to put on a special brand of football. In the rest of the world they're not used to sports events over three hours."

He added that the league "is not an experiment," and that "we are not another spring league."

Schramm even suggested a possible entrant in the Soviet Union. The Russians will send over the Moscow Bears, a club team, to tour against semipro teams in the United States.

"We've been playing a game like yours since the 15th century," said a Moscow television announcer. "We call it *lapta*."

The visit to New York on Thursday was Schramm's first stop on a U.S. tour to gain corporate help for the league, which has been underwritten by 26 of the 28 National Football League clubs for $50,000 each. The Chicago Bears and the Phoenix Cardinals have declined.

The new league also has two television contracts covering two years; one with ABC, which will televise Sunday afternoon games, and pay $11 million a year, and the other with the cable USA Network, which will pay $10 million a year for prime-time games on Saturday and Monday nights.

Brent Musburger, who recently joined ABC, will be the WLAF play-by-play broadcaster and Dick Vermeil, the former coach of the Philadelphia Eagles, will handle the analysis.

"When I was interested in coming to ABC I called and said, 'If you want me to, I'll put the spring football league on the air for you,'" Musburger said. "I really wanted to do it."

In Europe, only Barcelona and Frankfurt have been awarded franchises, but London and a city near Milan are expected to round out the European entrants. Four U.S. cities also have franchises: Birmingham, Alabama; Orlando, Florida; Sacramento, California, and San Antonio, Texas. Schramm said there would be two more franchises awarded in the United States, including one in New York, but he declined to indicate what other cities had expressed interest.

The league also is to have one team each in Canada and Mexico.

Wimbledon: A Pair Of Towering Trios

Top Men and Women Have Big Edge

Reuters

LONDON — Ivan Lendl, Boris Becker, Stefan Edberg — it is difficult to conceive of any other player winning the men's singles title at Wimbledon this year.

With the premier grass tournament beginning Monday, the ruling triumvirate of men's tennis seems to have tightened its grip on the grass-court game. The trio towers above the would-be pretenders.

A look at the last four Wimbledon finals bears this out. Between them, the three rivals have filled seven of the eight final places since 1986. The exception was 1987, when Pat Cash of Australia crashed the party and snatched the crown in a memorable match with Lendl.

This year, the next best player appears to be 31-year-old John McEnroe, who hopes he can add to the championships he won in 1981, 1983 and 1984.

Though just returning from a four-month injury-induced absence, he still battled along with the big three into the Queen's Club semifinals last week before Lendl trounced him, 6-2, 6-4.

McEnroe described it later as a "sobering reality" and underlined his recognition of the gap that exists when he said: "Maybe I'll be better in a couple of months. Right now I feel there is a lot of hard work to be done."

Lendl, meanwhile, enters Wimbledon as the top seed and the favorite after he went on from beating McEnroe to demolish Becker, 6-3, 6-2, in the Queen's Club final.

The U.S.-based Czechoslovak, who has never won Wimbledon, has never looked better on grass, a surface which was anathema to him for many years. He bypassed the French Open to work on his grass-court game, and the big improvement has been in his movement, so ponderous in the past but more fluent and natural now.

The ease of his victory does not, however, guarantee him success should he meet Becker again in the Wimbledon final, as the seedings indicate he will.

Best-of-five matches can be another matter and, in addition, the court will be different. Wimbledon's famed Centre Court dries out and scuffs up during two weeks of constant use and may be somewhat battered come final day — in contrast to the lush and flawless carpet at Queen's.

Becker offered another reason after his defeat: "The good thing for me is that he cannot play any better, whereas I feel I can play a lot better."

Edberg, the Swede who beat Becker in the 1988 final three weeks after losing to the West German at Queen's, will hope for the same improvement this year.

There was little between them when Becker beat him, 6-4, 6-4, last week and both have rebounded from the shock of first-round French Open defeats last month.

The women's event has much in common with the men's, the top trio appearing to have a huge edge over the rest of the pack.

Steffi Graf chases a third successive Wimbledon title mindful of the fact that she was beaten in the finals of the West German and French Opens by Monica Seles of Yugoslavia. They could clash in a Wimbledon semifinal and top-seeded Graf will also remember that when they met here a year ago, she beat Seles, 6-0, 6-1.

But Seles has developed by leaps and bounds this year, physically and competitively, and will take a streak of 32 successive match victories and six straight tournament titles into Wimbledon.

Seeded between them, and likely to be awaiting the winner in the final, is Martina Navratilova, who is pursuing a record ninth Wimbledon singles title.

She also circumvented the French Open to prepare at home in Texas for Wimbledon — her main target for the summer. But she could not have forgotten her last match in Europe before heading home, when she lost, 6-1, 6-1, to Seles in the Italian Open final.

■ Safety Is Certified

Wimbledon has been issued a ground safety certificate in time for the opening on Monday, Reuters reported from London.

Officials estimate that the cost of the structural work done to earn the certificate and the lost revenue from reduced capacity came to about £2 million ($3.4 million).

The main change is the absence of standing room for spectators on the Centre Court.

BOOKS

THE GREAT TERROR: A Reassessment

By Robert H. Conquest. 560 pages. $24.95. Oxford University Press, 200 Madison Avenue, New York, N. Y. 10016.

Reviewed by
Robert V. Daniels

"YOU think 20 million? I think more." So answered a young Soviet intellectual to a comment about the number of Stalin's victims. Stalin killed more Communists than all of this century's rightist dictators put together, and he could be the greatest counterrevolutionary despot of all time.

A study of the age composition of the elite since World War II shows that Stalin purged everybody who was somebody in the Soviet Union over the age of 35 (or for the military, over 40). Other than members of the Politburo and a few other lackeys, no one born before 1902 was left to staff the bureaucracy.

This accounts for the longevity in office of the Brezhnev generation, promoted to replace the victims. They did not start dying until the 1970s and 1980s. Now we have the Gorbachev generation.

The terror of the 1930s remains a Soviet nightmare. Now the peoples of the Soviet Union have won the freedom to work their way through their horrible collective memories.

And it is eminently fitting that the work of Robert Conquest, the West's No. 1 expert on Stalin's purges, is now being published in Russian translation in Moscow. English-born and educated, Conquest was already a world-class authority in Sovietology when he came to the United States to become curator of the Hoover Library of War and Revolution at Stanford University.

Availing himself of the new historical data from Soviet sources freed up by *glasnost*, Conquest has now updated and fleshed out his classic study of the purges. The more familiar side of the purges is the incredible series of trials and confessions by Stalin's Communist adversaries through which Conquest takes us in the first half of "The Great Terror."

The problem of the confessions has long defied explanation, though every kind of theory has been advanced. Conquest stresses the Old Bolsheviks' dedication to "the party" as the source of "all morality and all truth," combined with the NKVD's refined techniques of relentless interrogation and torture, plus the simple matter of threats to families and hopes for clemency.

However, it is not widely realized that quite a few of the old oppositionists, especially Trotskyists, resisted all this and were simply dispatched without the formality of a trial. What remains the greatest puzzle connected with the trials, as Conquest points out, was the widespread acceptance of their authenticity in the outside world, among all political persuasions, not just Communists.

Part Two of "The Great Terror" takes us methodically through the lesser-known but much more extensive and even more baffling side of the purges, the Yezhovshchina or "Yezhov business," as it is commonly called after Nikolai Yezhov, Stalin's commissar of the NKVD from 1936 to 1938. Largely conducted in secret, this campaign struck everywhere in Soviet society, not just against known enemies of Stalin but also against the entire generation of leadership who had worked with him up to that point.

Through the cycle of arrest, torture, confession and implication of ever-widening circles of people in imaginary plots, Stalin and Yezhov mowed down the officer corps of the Red Army, the cultural elite, the managers of the new industrial establishment, leaders of the national minorities and, most surprising of all, the bureaucratic apparatus of the Communist Party itself, not to mention most of the foreign Communists who had sought refuge from fascism in the Soviet Union.

The final installment of the terror was the liquidation of the purgers themselves, including Yezhov and most of the leadership of the NKVD.

Robert V. Daniels, professor emeritus of Russian history at the University of Vermont, wrote this for the Los Angeles Times.

BRIDGE

By Alan Truscott

THE most imaginative player on the international bridge scene is surely Zia Mahmood, the cosmopolitan Pakistani star who spends most of his time in New York City these days. He has been the driving force behind a Pakistani team that has twice come very close to winning world titles, and hopes to do even better. He is a super card player, and on May 10 he won the $40,000 first prize, the richest single award in organized play, in the Omar Sharif World Individual. But it is his exotic flights in bidding that set him apart. On the diagramed deal, from a rubber bridge game in New York, he could not resist the urge to bid with the East hand when North opened one no-trump. Instead of biding some number of hearts, understandable with favorable vulnerability, he introduced a double, implying a hand at least as good as the opening bidder. West was Sam Lev, an Israeli who has also settled in New York City. Zia expected him to figure out, by listening to the bidding, that the double could not have been genuine. He was therefore slightly irritated when Lev doubled South's jump to three spades. Zia retreated to four hearts, which was wrong in theory but proved right in practice. Three spades would have failed by a trick, vindicating Lev's double, and four hearts could have been doubled for a penalty of 300. But luckily for Zia and Lev, North chose to try for a vulnerable game instead of a small penalty. And East-West collected 500. If Zia had not entered the bidding, he would no doubt have collected a small penalty against an undoubled contract.

NORTH
♠A65
♡Q8
◇AQ83
♣K1095

WEST
♠K1092
♡K5
◇1052
♣AJ73

EAST
♠3
♡A1087642
◇954
♣86

SOUTH (D)
♠QJ874
♡J3
◇KJ7
♣Q42

North and South were vulnerable.

The bidding:

North	East	South	West
1 NT.	Dbl.	3♠	Dbl.
Pass	4♡	Pass	Pass
4♠	Pass	Pass	Dbl.
Pass	Pass	Pass	

West led the heart king.

PEANUTS

BEETLE BAILEY

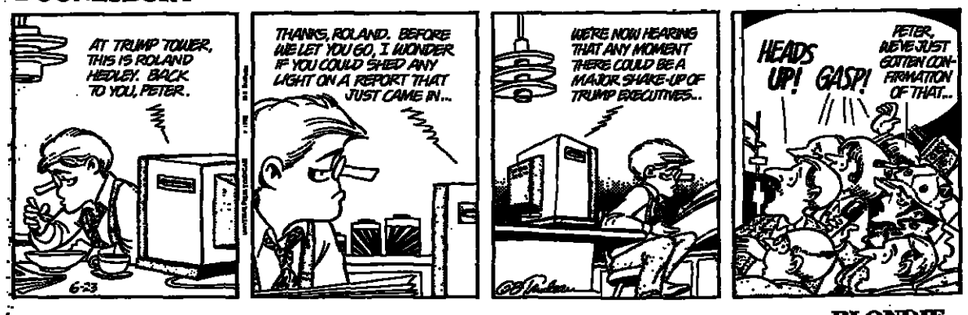
ANDY CAPP

WIZARD of ID

REX MORGAN

GARFIELD

DOONESBURY



DENNIS THE MENACE

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

HORTT
ROODE
TEACKS
DAYNIT

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: ( )
(Answers Monday)

Yesterday's Jumbles: ICING FAUNA NATURE ORATOR
Answer: A monogamist doesn't believe in belonging to more than this—ONE UNION

BLONDIE

SPORTS

Ian Schwarz/Reuters

Ian Schwarz/Reuters

Rick Wilking/Reuters

When the Detroit Pistons visited the White House, it wasn't the excitement that had first Bill Laimbeer, above left, and then Isiah Thomas wiping their brows with a team jersey. The heat at President George Bush's Rose Garden reception on Thursday for the National Basketball Association champions was stifling. After Bush praised the team and its "take-no-prisoners" pressure defense, Thomas, the Detroit captain and finals MVP, presented the president with a Pistons jersey bearing his name — and the sweat of champions.

Slumping Pinch-Hitter Rallies Braves

9th-Inning Double Stuns Reds, 4-3, as Yankees Overpower Blue Jays in 8th

The Associated Press

The Atlanta Braves' manager, Russ Nixon, hopes Tommy Gregg's game-winning hit was just the cure to get the pinch-hitter out of his hitting doldrums.

"Tommy needed something like that to happen to him," Nixon said Thursday night in Atlanta after Gregg, batting .100 this season, hit a two-run pinch-hit double with two outs in the ninth inning to give the Braves a 4-3 victory over the Cincinnati Reds.

"He's a much better hitter than that," Nixon said. The hit was

BASEBALL ROUNDUP

Gregg's seventh of the year — all in pinch-hitting roles — in 67 trips, lifting his average to .115.

"He's here to be used," Nixon said. "If they're struggling, they have to get through it."

The Braves rallied against Reds relief ace Rob Dibble, who walked Dave Justice with one out and Greg Olson with two down.

Gregg fouled off Dibble's first 1-2 slider on the outside corner to stay alive, then drove the next pitch to deep center field, scoring Justice and pinch-runner Alexis Infante.

"I'm a good hitter, I know that," Gregg said. "I expect good things to happen to me. I really needed this boost. I've been down on myself."

Gregg said he understands his role with the Braves is that of a pinch hitter. In his starts this season, he's gone 0-for-38.

The Reds' manager, Lou Piniella, refused to meet with members of the media after the game, Cincinnati's second loss in nine games.

Yankees 7, Blue Jays 6: In an American League game in Toronto, the Yankees broke a 3-3 tie with four runs in the eighth, three on a pinch-hit home run by Matt Nokes, and held on despite home runs by both John Olerud and George Bell, the second of the game for each.

Royals 14, Twins 4: In Minneapolis, Kevin Seitzer went five-for-six with a home run and two of Kansas City's eight doubles, Steve Jeltz drove in four runs and Bo Jackson hit a three-run homer.

Tom Gordon yielded four runs and six hits in 5⅔ innings for the Royals. Andy McGaffigan pitched two-hit ball over the final 3⅓ innings for his first save.

The Royals collected a season-high 20 hits and Jackson's ninth home run of the season highlighted a seven-run seventh inning.

Indians 4, Orioles 3: In Cleveland, Tom Brookens drove in the winning run with an infield hit with the bases loaded and two outs in the 10th.

Cleveland reliever Doug Jones pitched out of jams in the ninth and 10th. He struck out Mickey Tettleton with the bases loaded in the ninth and worked out of a first-and-third, none-out jam in the 10th.

Mitch Webster led off the Cleveland 10th with a bunt single off Brian Holton and took second on Jerry Browne's sacrifice. Carlos Baerga, whose pinch-hit two-run double tied the game in the eighth, was intentionally walked. One out later, Candy Maldonado walked, loading the bases, and Brookens hit a grounder off the glove of third baseman Tim Hulett, who was unable to throw anybody out.

Angels 6, Tigers 4: In California, Dave Winfield and Jack Howell hit two-run homers in the first two innings and Bert Blyleven won for the sixth time in his last seven decisions. Detroit's Jack Morris was tagged for six runs and seven hits in 2⅔ innings. Blyleven gave up two runs and five hits in seven innings.

The Associated Press

Atlanta's Jeff Blouser was flying high after forcing Joe Oliver out at second. Blouser made the throw to first for a double play.

Red Sox Pitchers Hurl 'Like Heck'

The Associated Press

BOSTON — Sure, the sun still sets in the west, the tide comes in and goes out and the swan boats are as popular as ever here at the Public Garden.

But an amazing change has been noticed around the Boston Red Sox. The pitching, maligned for decades, actually is leading the team's drive in the American League East.

The Red Sox hope their pitching continues at its current level and the hitters start doing more as they returned home Friday to begin an 11-game stand at Fenway Park with a weekend series with the Baltimore Orioles.

"Everybody is waiting for us to fold, but we're pitching like heck," Boston's pitching coach, Bill Fischer, said. "If we could get some of our hitters going, we'd really be set up good."

The Red Sox enjoyed a break on Thursday after ending a stretch of 20 games in 20 days with a 5-4 trip. The team finished the 20-day stretch with a 13-7 record, including a 9-3 record by starters Roger Clemens, Mike Boddicker, Greg Harris and recently promoted Dana Kiecker and Wes Gardner.

Clemens and relievers Jeff Reardon and Dennis Lamp all boast earned run averages under 3.00. Boddicker, Harris, Kiecker and Jerry Reed are under 4.00. Relievers Jeff Gray and Rob Murphy are 5.06 and 5.94, respectively, while Gardner is 6.28.

The staff's ERA jumped .12 to 3.78 on the ineffective pitching of recently recalled Tom Bolton in an eight-run eighth inning in Toronto on Wednesday night. However, Murphy has come back after the worst slump of his career, Gray has been unhittable in three of four relief appearances, and Gardner has had two good outings in a row.

The offense often has sagged despite Boston's 36-29 record. The team has a .269 average with 588 hits, but has scored only 268 runs. The Red Sox have just 38 home runs, have hit into 88 double plays and left 502 runners on base.

The Red Sox, who dropped two games behind Toronto in the division, are at Fenway for 18 of their next 24 games.

They play the Orioles three times this weekend and then the Toronto Blue Jays four times before meeting the Texas Rangers for four.

Boston's manager, Joe Morgan, named Boddicker (8-3), Clemens (11-3) and Harris (6-3) to start the three games against Baltimore. The Orioles planned to counter with Jeff Ballard (1-7), Dave Johnson (6-4) and Bob Milacki (3-3).

Jim Mone/The Associated Press

Kansas City's Gerald Perry was up after sliding safely past Minnesota's Brian Harper to score.

In Mexico Prix, Berger Seeks Atonement

Reuters

MEXICO CITY — Gerhard Berger will be under extraordinary pressure to atone for his Canadian sin when he squeezes himself into the cockpit of his McLaren for the Mexican Grand Prix Formula One race here on Sunday.

The Austrian, a bit over-anxious for his first victory since joining the McLaren team this year, jumped the start of the Canadian Grand Prix from the front row on the grid and received a one-minute penalty.

Berger drove his Honda-powered car magnificently after the critical error and reached the winning flag ahead of his teammate Ayrton Senna. But because of the penalty, the Brazilian was declared the official winner. Berger had made up enough time, however, to finish fourth, keeping him in second place in the overall standings.

But Berger's dazzling display of speed did not excuse his amateurish transgression.

"I'm sure I could have won," he said of the Montreal race. "I feel I could have won three races by now."

Berger, successful here on the dusty, bumpy Autodromo Hermanos Rodriquez in 1986 while driving for Benetton, clearly expects better of himself after 88 Grand Prix races.

"The pressure to make amends is not merely self-imposed.

"I'm angry about the penalty," the McLaren team manager, Ron Dennis, said after the Montreal race. "Gerhard made a careless mistake. You don't expect that from professional drivers."

On the other side of the McLaren garage, Senna, who scored a lights-to-flag victory here last year, is under no such pressure.

With three victories in five races Senna holds a comfortable 12-point lead over Berger in the drivers' championship.

And Senna's Ferrari-driving arch rival, Alain Prost of France, already trails by 17 points and needs a good showing here if he is to mount a serious defense of his title.

No matter what happens on Sunday, however, the soft-spoken Brazilian will return to Europe on top of the 1990 championship.

"I don't ever remember having that many points higher than anybody in the championship — especially early in the season," Senna said after adding Montreal to his victories in Phoenix and Monte Carlo.

Unfortunately for Berger, the combination of high altitude, choking smog and dangerous track conditions on the 4.4-kilometer (2.7-mile) circuit make the Mexican Grand Prix as difficult a race as there is on the Formula One calendar for him to redeem himself.

"At no other circuit in the world do you find these characteristics of the bumps and such poor grip," said Riccardo Patrese of Italy, whose Williams team hopes to make up for its own Canadian frustration, "so it is difficult to predict if your car will go well there."

The Renault-powered Williams cars lost ground on McLaren and second place to Ferrari in the constructors' championship when neither finished in Montreal.

Patrese, who won the Italian Grand Prix at Imola in May, retired with brake problems. Thierry Boutsen of Belgium went out when he slid off the wet track and crashed while attempting to overtake Prost, who was running second at the time.

Patrese and Boutsen, however, believe that they have truly competitive cars this year and think that they are capable of keeping Senna and Berger off the winner's podium on Sunday.

Gary Hershorn/Reuters

Berger, right, and Senna were happy teammates in Montreal.

PGA Site Maintains Whites-Only Membership

The Associated Press

BIRMINGHAM, Alabama — The country club playing host to the 1990 PGA Championship will not be forced into accepting blacks as members, its founder said.

Hall Thompson said Shoal Creek Country Club's members include Jews, women, Lebanese and Italians — but no blacks. "The country club is our home and we pick and choose who we want," he said.

Thompson said blacks played at Shoal Creek during the 1984 PGA Championship, and black caddies can play on Mondays, when the course is closed to members.

Officials with the Professional Golfers Association of America said that if a club is found to discriminate racially it could affect a decision to hold future PGA events there. But the 1990 tournament will go ahead as planned in August.

"This was not a point in 1984," Pat Rielly, the PGA president, said.

Rielly said the PGA has found no discriminatory written policies at Shoal Creek, where the PGA Championship will be played Aug. 6-12, but the organization can do little if a club has unwritten rules.

Thompson, 67, said club members have not allowed any black members because "that's just not done in Birmingham."

Jim Autrey, executive director of the PGA, said "we don't condone discrimination," but exclusionary practices were not a factor in choosing a site.

Thompson's remarks followed accusations by a city councilman, William Bell, that the club had a racially exclusionary policy. He advocated cutting municipal funding for an advertisement planned for the tournament program.

Bell said a 10-year-old council resolution states city funds should not be used for any clubs that refuse membership to blacks.

Money for the advertisement was authorized by Richard Arrington, Birmingham's first black mayor. Arrington said he made a distinction between the exclusive country club and the PGA.

■ New Masters Policy

The Masters golf committee announced on Friday a change in its invitation policy that will end automatic invitations to U.S. Ryder Cup team members, effective with the 1992 Masters, The Associated Press reported from Augusta, Georgia.

Hord W. Hardin, chairman of the Masters, said inviting the U.S. team and not inviting all members of the European team was inequitable, and inviting both teams could enlarge the field at a time when every effort is being made to keep the numbers at traditional levels.

Thompson Said to Get An Offer From Knicks

The Associated Press

DENVER — John Thompson, the men's basketball coach at Georgetown, is expected to say over the weekend whether he will accept a job as general manager of the Denver Nuggets, team officials said.

But Thompson has discussed becoming general manager of another National Basketball Association team, and his attention could be directed elsewhere, they say.

"Saturday or Sunday," the Nuggets' president, Carl Scheer, said when asked when to expect a response from Thompson.

The team reportedly has offered Thompson a $6 million package — part salary, part ownership interest — to become general manager.

Scheer said Thompson spoke with Peter Bynoe, the Nuggets' managing partner, on Thursday.

"Mr. Bynoe tells me Mr. Thompson is contemplating," Scheer said. "One moment I think that's a bad sign, the other moment I think he's doing some numbers work."

Scheer predicted Tuesday the Nuggets would have Thompson's answer within 48 hours.

The Denver Post reported on Friday that the New York Knicks had approached Thompson about the possibility of replacing Al Bianchi as general manager, and that Thompson met Monday with Knicks officials.

Scheer told The Post that a professional sports agent had told him that Thompson and the Knicks were negotiating, but he initially dismissed it as nothing more than rumor.

But a source close to the Nuggets' majority owner, Bob Wussler, told The Post that Wussler was aware of the contact between the Knicks and Thompson, but was not concerned.

Denver officials offered Thompson a salary of $700,000 a year for five years and four percent of team ownership.

"If you ask me what's going on, I don't know," Scheer said.

"Is Madison Square Garden [the Knicks] prepared to give him the same deal we are? I really know nothing about it, other than hearing about it from an agent."

Bianchi has been Knicks general manager since July 1987. His contract expires July 1, and the team has offered him a one-year extension, but he has sought a long-term deal.

He was criticized by the New York media after trading guard Rod Strickland to the San Antonio Spurs for veteran Maurice Cheeks.

Bynoe said he is patiently awaiting Thompson's answer and has imposed no deadlines on the 48-year-old coach.

"How long would you wait for a date with Bo Derek?" Bynoe said Thursday.

Earlier Thursday, the team traded its best player, Fat Lever, to Dallas.

"We have a plan and a direction," Denver's coach, Doug Moe, said after the trade was made for two first-round draft choices. "We know what we're trying to do. It's a matter of, can we get all the things done we want to do? But it's not haphazard. We know exactly what we're trying to accomplish."

Lever has been with the team since 1984 when he came to Denver as part of a deal that sent Kiki Vanderweghe to Portland in exchange for Lever, Calvin Natt and Wayne Cooper.

SIDELINES

Failing Braves Replace Nixon

ATLANTA (AP) — The Atlanta Braves, cellar-dwellers in the National League West, fired manager Russ Nixon on Friday and replaced him with general manager Bobby Cox.

Stan Kasten, the Braves' president, made the announcement at a news conference here. He also said pitching coach Bruce Dal Canton will be replaced by Leo Mazzone, pitching coach with Atlanta's International League farm club in Richmond, Virginia, and Dal Canton will be sent to Richmond to replace Mazzone.

"Heck, I've been expecting it," said Nixon, who became manager in 1988. "It's been evident the last two weeks. One of the bullets was going to get me, they've been shooting so many at me." The club was 42-79 under his direction in 1988 and 63-97 in 1989, both last-place finishes.

Court to Seize Borg's Residence

STOCKHOLM (AP) — Bjorn Borg's elegant seaside home will be seized and sold to the highest bidder if the former tennis star doesn't pay more than $1 million within a month, court officials said Thursday.

A $1.1 million debt owed by Borg's former business partner, Lars Skarke, was personally guaranteed by Borg, Skarke was managing director of Borg's clothing company that collapsed last year.

Borg's lawyer, Henning Sjostrom, said the debt payment was being arranged but had been delayed. He said Borg planned legal action against Skarke aimed at getting the money back.

SCOREBOARD

BASEBALL

Major League Standings

	W	L	Pct.	GB
AMERICAN LEAGUE				
East Division				
Toronto	39	29	.574	—
Boston	36	29	.554	1½
Cleveland	31	33	.484	6
Detroit	33	35	.478	6½
Milwaukee	30	34	.469	7
Baltimore	31	36	.463	7½
New York	24	40	.375	13
West Division				
Oakland	43	22	.662	—
Chicago	38	25	.603	4
California	35	33	.515	9½
Seattle	33	36	.478	12
Minnesota	31	35	.470	12½
Texas	30	37	.448	14
Kansas City	28	37	.431	15
NATIONAL LEAGUE				
East Division				
Pittsburgh	38	26	.594	—
Montreal	38	29	.567	1½
New York	33	29	.532	4
Philadelphia	34	30	.531	4
Chicago	28	40	.412	12
St. Louis	27	39	.409	12
West Division				
Cincinnati	41	22	.651	—
San Francisco	35	32	.522	8
San Diego	32	31	.516	8½
Los Angeles	33	33	.500	9½
Houston	26	40	.394	16½
Atlanta	25	40	.385	17

Thursday's Line Scores

AMERICAN LEAGUE

Baltimore 100 002 000 0—3 13 0
Cleveland 100 000 020 1—4 7 0
Mitchell, Williamson (8), Hickey (9), Holton (9) and Melvin; Swindell, Valdez (4), Jones (9) and Alomar. W—Jones, 3-2. L—Holton, 2-3. HRs—Baltimore, Millison (12), Tettleton (10).

New York 100 002 000—7 12 0
Toronto 011 001 012—6 11 2
Hawkins, Mills (6), Righetti (8) and Geren, Nokes (8); Wells, Acker (5), Ward (8) and Myers. Borders (9). W—Mills, 3-2. L—Acker, 1-2. Sv—Righetti (14). HRs— New York, Hall (9), Nokes (5). Toronto, Olerud 2 (6), Bell 2 (14).

Kansas City 110 200 700—11 20 0
Minnesota 000 001 003—4 5 0
Gordon, McGaffigan (4) and Palacios; Guthrie, Leach (2), Berenguer (4), Candelaria (6), Wayne (7), Smith (8), Aguilera (9) and Harper, Ortiz (8). W—Gordon, 4-4. L—Guthrie, 2-2. Sv—McGaffigan (1). HRs—Kansas City, Seitzer (2), Jackson (9).

Detroit 000 001 103—5 7 0
California 231 000 00x—6 10 0
Morris, Nunez (3), Gleaton (6) and Heath; Blyleven, Eichhorn (8), Harvey (9) and Orton. W—Blyleven, 7-4. L—Morris, 6-8. Sv—Harvey (8). HRs—California, Winfield (9), Howell (4).

NATIONAL LEAGUE

Cincinnati 011 000 001—3 7 0
Atlanta 001 000 103—4 8 0
Jackson, Dibble (8) and Oliver, Reed (9); Smoltz and Olson. W—Smoltz, 6-4. L—Dibble, 4-2.

Japan Baseball

Central League

	W	L	T	Pct.	GB
Yomiuri	38	22	0	.633	—
Taiyo	28	26	2	.518	7
Hiroshima	27	29	1	.483	9
Chunichi	27	30	1	.474	9½
Yakult	25	30	0	.455	10½
Hanshin	25	33	0	.431	12

Pacific League

	W	L	T	Pct.	GB
Seibu	34	19	1	.539	—
Orix	32	29	2	.493	1
Nippon Ham	29	24	0	.547	5
Kintetsu	24	28	1	.462	9½
Lotte	20	26	1	.435	10½
Daiei	14	37	3	.287	19

FRIDAY'S RESULTS

Yomiuri 8, Chunichi 3
Hiroshima 5, Taiyo 3
Yakult 7, Hanshin 1
Seibu 4, Lotte 1
Nippon Ham 7, Kintetsu 1

TRANSACTIONS

BASEBALL

American League

BALTIMORE—Signed Mike Thomas, outfielder.

CLEVELAND—Put Keith Hernandez, first baseman, on the 15-day disabled list, retroactive to June 18. Called up Al Nipper, pitcher, from Colorado Springs, Pacific Coast League. Fired Bobby Molinaro, manager, of their Colorado Springs team. Named Charlie Manuel manager.

MINNESOTA—Sent Mark Guthrie and Gary Wayne, pitchers, to Portland, Pacific Coast League. Bought contracts of Jack Savage, pitcher, from Portland, and Scott Erickson, pitcher, from Orlando, Southern League.

National League

CINCINNATI—Signed Ryan Edwards, James Wissins, Bryant Balentine and Leonard Griffen, pitchers. Assigned Edwards to Billings of the Pioneer League and Wissins, Balentine and Griffen to the Gulf Coast League.

LOS ANGELES—Moved Pat Perry, pitcher, from the 15-day disabled list to the 21-day list, and Jeff Hamilton, third baseman, from the 21-day list to the 60-day emergency list.

BASKETBALL

National Basketball Association

DENVER—Traded Fat Lever, guard, to Dallas for the No. 9 choice in the first round of the 1990 draft and a first-round choice in 1991.

FOOTBALL

National Football League

N.Y. JETS—Waived Reggie McElroy, tackle, and Mark Kobacny, running back. Named Ron Wolf director of player personnel.

HOCKEY

National Hockey League

MONTREAL—Reached a five-year agreement to have their American Hockey League affiliate in Fredericton, New Brunswick.

COLLEGE

DAVIDSON—Named Dick Cooke baseball coach.

JOHN JAY—Named Patrick Manson men's tennis coach; Wilhelmena Lasana women's basketball and softball coach; and Davidson Umeh men's soccer coach.

KUTZTOWN—Dropped men's and women's lacrosse and men's golf. Moved its wrestling program from NCAA Division I to Division II.

LSU—Extended the contract of Skip Bertman, baseball coach, to the 1993 baseball season.

WAGNER—Gela Mikalauskas, women's basketball coach and associate athletic director, resigned. Named Pamela Roecker women's basketball coach and assistant athletic director.

TENNIS

WOMEN'S TOURNAMENT

In Eastbourne, England

Quarterfinals

Jana Novotna, Czechoslovakia, def. Helena Sukova, Czechoslovakia, 7-5, 6-4; Martina Navratilova, U.S., def. Natalia Zvereva, U.S.S.R., 7-6, 6-1; Lori McNeil, U.S., def. Manon Bollegraf, Netherlands, 6-3, 1-1, retired.

MEN'S TOURNAMENT

In Manchester, England

Quarterfinal

Eric Jelen, West Germany, def. Christo Van Rensburg (5), South Africa, 6-2, 6-4.

CRICKET

England vs. New Zealand

Second Test, Day 2, Friday

At Lord's, London

1st Innings: England 216-4.

POSTCARD

The New Spice Market

By Michael Richardson
International Herald Tribune

BANDA BESAR, Indonesia — "This nut changed the course of history," said Des Alwi as a he reached up into a tree to pull off a fruit shaped like a small pear.

Pale yellow in color, the outer pulp of the fruit splits down one side when ripe, exposing the spices inside — a filigree of mace around the shell of the nutmeg. Dried, the mace turns orange and the nutmeg brown.

The Bandas, a cluster of small, lush volcanic islands in the eastern part of the Indonesian archipelago, were for several centuries the sole source of prime nutmeg and mace.

Bartholomew Leonardo de Argensola, a 17th-century Spanish colonial historian, wrote that these Southeast Asian spices "cure, or correct, stinking breath, clear the eyes, comfort the stomach, liver, and spleen, and digest meat."

□

European demand for nutmeg and mace, and for cloves from two other Moluccan islands, Ternate and Tidore, to the north of the Bandas, was voracious.

Before the 16th century, these spices were brought from the Moluccas by Javanese, Malay, Arab and Chinese traders, shipped to the Persian Gulf, carried by caravan to the Mediterranean, and distributed via Constantinople, Genoa or Venice throughout Europe, doubling in value each time they changed hands.

Nutmeg and mace were "the most expensive fruit in the world and many people died for them," said Alwi, customary chief of the Bandas, whose grandfather owned a fleet of schooners that traded in the Moluccas.

Ambition to gain direct access to Southeast Asia's spice gardens lured Portuguese, Dutch and English sailors on voyages of discovery and conquest.

The Dutch eventually prevailed in the Moluccas but at an awful cost to the Bandanese, many of whom were massacred, expelled or enslaved. In 1667, the British finally agreed to swap Run, the westernmost island in the Banda group, for the Dutch colony that included Manhattan Island, heartland of present-day New York city.

On Banda Besar, where nutmegs grow in the shade of giant Javanese almond trees, there are crumbling ruins of Dutch plantation houses.

But most planters, who often borrowed heavily to support a lavish lifestyle, preferred to live on the neighboring island of Banda Neira, where the main European town was located.

These days, the Banda islands are well off the beaten track. The spread of nutmeg and mace cultivation to other parts of Asia, Africa and the Caribbean from the 18th century helped push them into obscurity.

Of the 9,000 tons of nutmeg produced by Indonesia each year, only about 400 tons comes from Banda. Prices have plunged since 1987.

"They have got so low that many trees are not being carefully tended anymore, because it's not worthwhile," said Tamalia Alishahbana, an Indonesian lawyer who is making a study of the Bandas.

□

Ibu Nur, wife of a nutmeg picker for a regional government company that controls 150,000 of the 185,000 nutmeg trees in the Bandas, said that as spice prices have fallen, the cost of daily necessities has risen.

"It makes life hard," she said.

However, Alwi said that a recent decision by the central government in Jakarta to abolish a cartel of traders who monopolized export of nutmeg and mace offered hope for revival of spice production in the Bandas, especially if it was followed by return of the plantations to private ownership.

"Our islands have the perfect ecosystem for nutmeg — volcanic soil, a minimum of 3,000 millimeters of rain a year and lots of fresh, clean sea wind," he said.

Alwi, honorary chairman of the Banda Nutmeg Farmers' Association, said that under the cartel arrangements, Banda's superior nutmeg and mace had got mixed up with inferior spices from other producing areas.

Global demand for nutmeg and mace, which are widely used in condiments, perfume and as flavoring for processed food and drink, was about 9,000 tons in 1989, nearly all of which came from Indonesia and Grenada, in the Caribbean.

Alwi said that with proper quality control, marketing and packaging, Banda should be able to increase prices and expand international sales of its spices over the next few years.

Michael Herr: Ultimate Hipster

By Henry Allen
Washington Post Service

WASHINGTON — Michael Herr, at 50, is one of the last hipsters. He is a hipster with a tweed jacket, a discreet collection of facial tics and a way, after all these years, of still hiking his shoulders when he walks across a restaurant.

Does anyone remember what a hipster is or was? Not a hippie or a beatnik — Herr is a hipster, with a hipster's way of nestling into the old Cosmic Shrug when he sits down at his table, the shrug as philosophic premise in the lost Greenwich Village persona of the '50s and early '60s.

As it turned out, this was a persona that dined well on the endless meaty ironies of Vietnam, where Herr spent a year as a journalist, a year that would make him famous in a book called "Dispatches."

He has just published "Walter Winchell," a screenplay that both he and Hollywood decided was better as a novel, even with the camera directions left in it: "We see Walter in close-up, a heightening of intensity." He has come over from London, where he lives with his English wife and two daughters, to publicize it.

He has a soft, warm hand and has had a beard for eight years but scratches it as if it were new. He has a flat, soft face and a deep, soft voice. He uses the word "man" as punctuation. He sounds as if he's either exhausted or saving his energy in case he becomes exhausted, a slow, smooth voice, a droll mutter, a streetwise grumble.

He smokes Gauloises, which he extracts from a pack that never leaves his sport coat pocket. "I started that in Vietnam, man. They had people there would steal the tips off your shoelaces." Much about him seems hidden

"It's a long haul, man, a lot of time, cultivating this attitude," he says. He started cultivating it when he was 12 or 13, the son of an owner of a store in Syracuse, New York, a store where he worked in the record department, "a kid in Syracuse and working in a record store and watching between 1954 and 1957 the walls break down, you know, and seeing these kids come in who were new kids. This isn't Archie and Veronica and Henry Aldrich coming in, man, this is like the new bit — it was terrifying to a lot of people. And to me. But attractive. You know. It wasn't long before I was on the other side of the counter. Some of them were really heavy people, you know, bad kids."

They were modal personalities, as historian Warren Susman would say, of their time, from West Side Story gang kids to jazz fans wearing sunglasses in the darkest corners of Birdland. Norman Mailer, James Dean, Marlon Brando times.

He spent some time at Syracuse University, working on the newspaper. He spent a year bumming around Europe. He settled in

The Washington Post

Herr: Winchell was "sort of a miserable human being" but a great American life.

Greenwich Village, writing film criticism for the New Leader, then travel stories for Holiday magazine. He married an artist. Then he decided to check out Vietnam as a correspondent for Esquire.

Herr's journalism had a cool, moist, ironic rhythmic heft to it, like a good combination of rock music and some kind of prime meat marinated in marijuana. It was a hipster's combination of mysticism and an ongoing shrug. His most celebrated line was, "I think that Vietnam was what we had instead of happy childhoods." He wrote with soulful precision of detail, though his chronicling of fact as most journalists know it took second place to the evoking of atmosphere.

He didn't publish "Dispatches" until 1977, but the magazine pieces that were the bulk of it made him a cult figure before the war even ended. He was said to be holed up in an apartment in Greenwich Village, never sleeping or always sleeping, writing nothing or writing an endless unpublishable screed, nobody knew. A psychic casualty. Drunk or stoned. Or a junkie — this was back when heroin still had a martyred macho authenticity, and the idea that Herr was addicted to it only added to his legend.

"t's all untrue, man, that's all I can tell you, because I was always afraid of heroin," he says.

He broke up with the artist and took up with the woman who is now his wife. He got by with a little help from family and friends. It took years, but he finally finished the book.

When "Dispatches" came out, Herr the cult figure got promoted to Herr the culture hero, one of the last male literary culture heroes America has produced, along with Hunter Thompson and Ken Kesey.

He left for England. He wrote scripts — he got screenwriting credits for "Apocalypse Now" and "Full Metal Jacket." He wrote extended captions for "The Big Room," a book of paintings of Las Vegas celebrities. One of them was Walter Winchell, a failed and nasty vandeville hoofer who became the most powerful gossip columnist in America in the '30s and '40s, faded in the '50s, and died in 1972, an anachronism who had lost even his power to annoy.

As Herr sees it, Winchell created the modern celebrity machinery.

"He was sort of a miserable human being but he was a great American life. I felt that his life had a lesson and meaning for us because he was the architect and the inventor of the end of private life, the end of any kind of private internal life, and of what we have now, and it weighs on all of us, it oppresses — the media, you know, the incessant, you know, promiscuous, endless river of facts and distractions and gossip, and, so, the people, it's like you're never alone, you're never alone, you're never left alone."

Once, Winchell had his column in more than 1,000 newspapers, six days a week. He had a radio show heard by almost half the people in America: "Good evening, Mr. and Mrs. America and all the ships at sea." Then television came along, and while his rival columnist Ed Sullivan was great on it, Winchell looked, Herr says, like "an angry middle-aged man yelling at the camera."

He came on the "Tonight" show carrying his hat and a raincoat in some sort of ridiculous claim of newshound authenticity, and Johnny Carson said: "You worried it's going to rain in here, Walter?"

Herr says, "He was, you know, the founder of this culture that we live in now, which for me is enough to put him on Mount Rushmore, it makes him a giant American historical figure."

Winchell was the antithesis of hip. He was a direct, overstated, vulgar purveyor of the obvious rather than an oblique, understated, esoteric purveyor of the ironic.

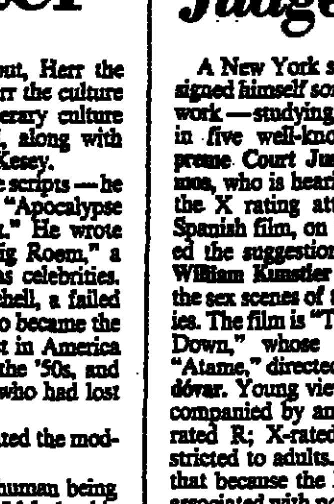
"I don't know who Walter Winchell really was, you know," he says. "I read a lot of books and a lot of columns, a lot of columns, thousands. You could feel the man, all of him, his wit and his energy, his viciousness and all of it, you know, his vulgarity and his charm, all of it in those columns, they're terrific."

Without Winchell and all the sleazy confections of the media, we might not have had the prophets of Bohemia, the underground, the counterculture and so on. We might not have had Michael Herr.

PEOPLE

Judge Judges X-Ratings

A New York state judge has assigned himself some unusual homework — studying the sexiest scenes in five well-known movies. Supreme Court Justice **Charles Ramos**, who is hearing a challenge to the X rating attached to a new Spanish film, on Thursday accepted the suggestion of the attorney **William Kunstler** that he compare the sex scenes of the R and X movies. The film is "Tie Me Up, Tie me Down," whose Spanish title is "Atame," directed by **Pedro Almodóvar.** Young viewers must be accompanied by an adult to movies rated R; X-rated movies are restricted to adults. Producers argue that because the X rating is often associated with pornographic movies, legitimate films are tarnished by it.



WP/1988

Lovelace: A South African ban.

□

Joan Collins, dressed to the nines on a rain-soaked Royal Ascot, was banned from entering the royal enclosure for the second year in succession. It was not the length of her skirt, the width of her brim, or any other inadequate proportion, but because she had failed to apply for the correct pass. Meanwhile, **Diana, Princess of Wales**, missed Ascot in order to give her son **William** an 8-year-old's birthday party at London Zoo.

□

The Russian Orthodox Church, under its new patriarch, **Alexei II**, is preparing the canonization of numerous victims of religious persecution in the Soviet Union. The Geneva-based Conference of European Churches said that the Russian church has declined to initiate a "separate process to canonize the family of Russia's last Czar," **Nicholas II**. He was overthrown in the revolution and was executed together with his family in 1918. The Russian Orthodox Church in Exile has demanded the family's canonization as a precondition for negotiating a possible reunification with the Moscow patriarachate.

□

Jackie Collins's steamy novel "Hollywood Wives" gets an X-rating in South Africa's latest banned publications list. The ruling means librarians and booksellers must ask would-be fans for ID proving they are over 18. But the former hardcore porn queen **Linda Lovelace**'s autobiography "Ordeal" proved too hot for South African censors, who have made it an offense to possess a copy.

□

The son and grandson of the last Italian monarch are closer to realizing their dream of ending their exile after a parliamentary commission voted to lift a constitutional ban on their entry in Italy. Italians voted, by a slim margin, in 1946 to abolish the monarchy. The postwar constitution, enacted the following year, banned visits or stays by **Umberto II**, who reigned for 26 days before being forced into exile by the referendum. The ban also applied to his wife and male heirs. Umberto died in 1983 at 78. His son, **Victor Emmanuel**, has campaigned on behalf of himself and his son, **Emmanuel Filiberto**, for a lifting of the ban. The constitution also forbids the male heirs from holding public office. The commission on constitutional affairs approved lifting both the ban on entry and office-holding. Both the upper and lower houses of the legislature must vote twice on the constitutional change.

□

Hugh Southern resigned unexpectedly Friday as general manager of New York's Metropolitan Opera, less than eight months after assuming the post, saying, "I have not found fulfillment." Southern, a 58-year-old British citizen who has been a U.S. resident since 1956, informed the Met's board of directors that his resignation will be effective July 1.

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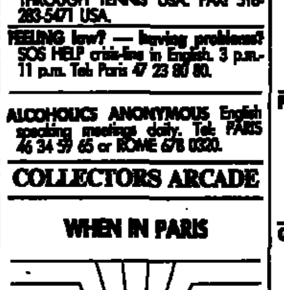

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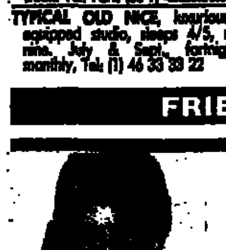

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